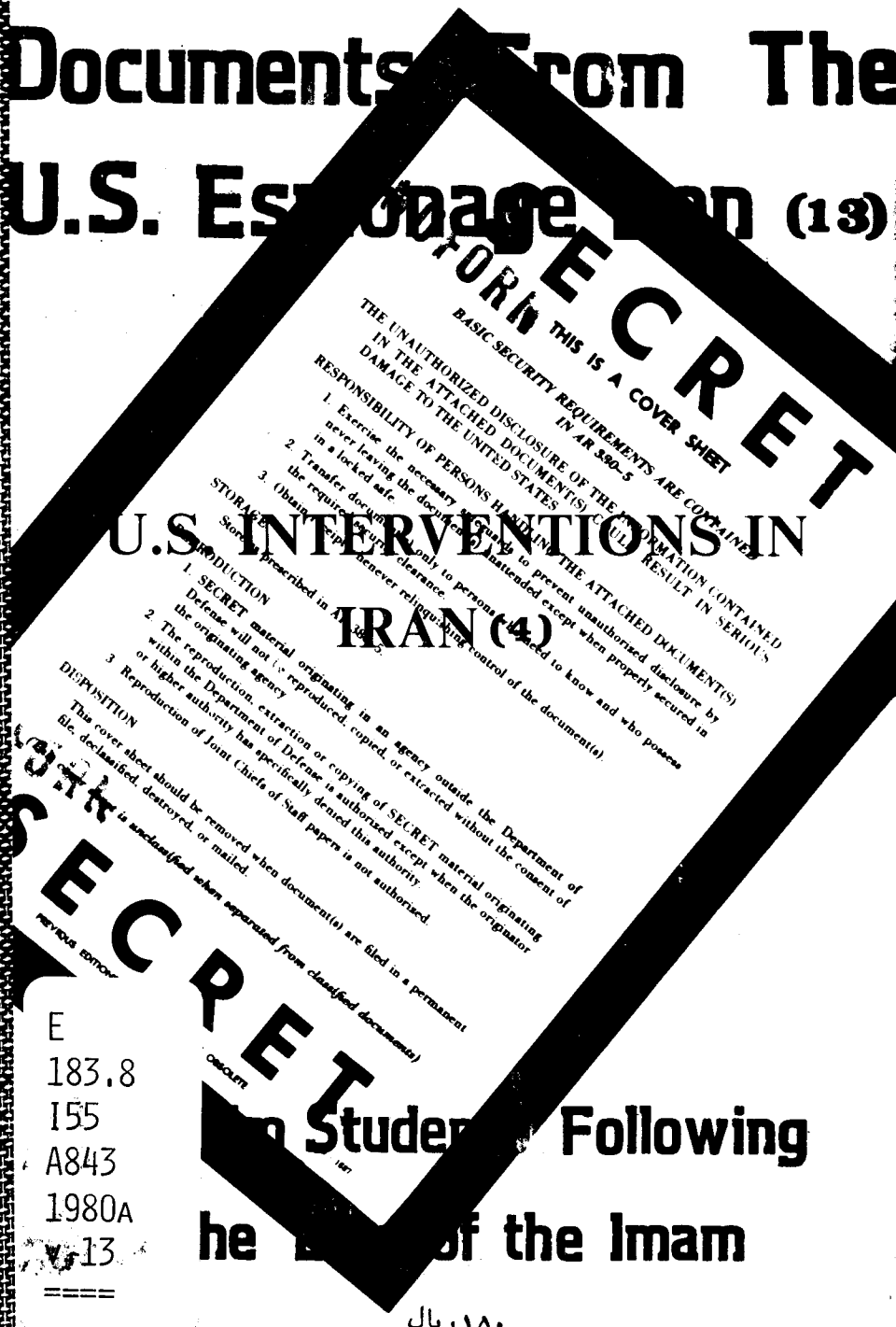
Documents From The U.S. Espionage Den (13)



U.S. INTERVENTIONS IN IRAN (4)

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TELEGRAM

FROM	CLASSIFICATION
AMEMBASSY TEHRAN	CONFIDENTIAL

E.O. 11652:
TAGS:
SUBJECT:

ACTION:
ROOM 5

AMB
DCM
POL
PM
ICA
OR
DAO
AGR
SHTR
CRU
/16

ACTION: SECSTATE WASHDC IMMEDIATE

INFO: AMEMBASSY ABU DHABI
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMCON DHAHRAN

CONFIDENTIAL TEHRAN 10960

E.O. 11652: GDS

TAGS: ENRG, ELAB, IR

SUBJECT: MORE ON IRANIAN OIL SECTOR STRIKE

1. AMBASSADOR MET WITH NIOC MANAGING DIRECTOR ANSARY LATE THIS MORNING WHO SAID THAT SITUATION IN OIL FIELDS IS CONTINUING TO IMPROVE, BUT MORE SLOWLY THAN HAD BEEN HOPED FOR. ANSARY'S REPORT WAS CONFIRMED BY LOCAL CONSORTIUM REPRESENTATIVE WHO TOLD US THAT OSCO PRODUCTION IS RUNNING ABOUT 1.5 MILLION B/D. ANSARY CONTINUES TO BE GUARDEDLY OPTIMISTIC.

2. SITUATION WITH REFINERIES HAS REMAINED STABLE--ALL ARE RUNNING BUT THROUGHPUT AT ABADAN IS DOWN. DESPITE CONTINUATION OF STRIKE BY LARGE NUMBERS OF PERSONNEL ON KHARG

DRAFTED BY	DRAFTING DATE	TEL. EXT.	CONCURS (U.S. CLASSIFIED)	CLASSIFICATION APPROVED BY
POL:MHaas:dd	11/1/78	3129	ADM:GHaas	

E/C:DEBaxley

CONFIDENTIAL

ISLAND, THE EXPORT TERMINAL IS EASILY ABLE TO HANDLE THE PRESENT MUCH REDUCED VOLUME OF EXPORTS. WE WERE TOLD THIS MORNING BY OFFICIAL OF JAPANESE TRADING COMPANY WHICH IS PURCHASER OF IRANIAN CRUDE THAT 37 TANKERS ARE AT ANCHORAGE AT KHARG AWAITING AN OPPORTUNITY TO LOAD.

3. WE HAVE BEEN UNABLE TO CONTACT IPAC TODAY BUT WE BELIEVE THAT THEY ARE STILL COMPLETELY SHUT DOWN. EVEN IF STRIKE IS RESOLVED (OR BROKEN) IMMEDIATELY, ECONOMIC LOSSES WILL CONTINUE TO ACCUMULATE BECAUSE IT WILL BE SOME 10 DAYS BEFORE PRODUCTION CAN BE FULLY RESTORED. A SIGNIFICANT NUMBER OF WELLS THAT HAVE BEEN SHUT-IN WILL NOT BEGIN FLOWING AGAIN WITHOUT SOME WORK-OVER. OPEC ESTIMATES THAT AFTER EVERYONE RETURNS TO WORK PRODUCTION OF 4.8 MILLION B/D CAN BE ACHIEVED IN 48 HOURS BUT THAT IT WILL TAKE ANOTHER 8 REPEAT 8 DAYS TO REACH 5.6 MILLION B/D.

4. ACCORDING TO OUR VERY ROUGH ESTIMATES, THE LOSS OF EXPORTS CAUSED BY THE STRIKE HAS COST IRAN APPROXIMATELY $300 MILLION, AS OF MIDNIGHT OCTOBER 31, AND IS INCREASING AT ABOUT $30 MILLION PER DAY. MOREOVER, THE LOSSES THAT WILL ACCUMULATE DURING THE 10 DAYS OF RETURN TO NORMAL PRODUCTION LEVELS WILL TOTAL ABOUT $285 MILLION. CONSEQUENTLY, IRAN'S GROSS RECEIPTS OF FOREIGN EXCHANGE FROM THE OIL SECTOR THIS YEAR WILL BE AT LEAST 2 PERCENT LESS THAN WHAT THEY WOULD HAVE BEEN ABSENT THE STRIKE.

SULLIVAN

INDICATE COLLECT CHANGE TO

FROM: AMEMBASSY TEHRAN | CLASSIFICATION: CONFIDENTIAL

E.O. 11652:
TAGS:
SUBJECT:

ACTION: SECSTATE WASHDC IMMEDIATE

INFO: USINT BAGHDAD
AMEMBASSY ABU DHABI
" ANKARA
" DOHA
" ISLAMABAD
" JIDDA
" KABUL
" LONDON
" MANAMA
" MUSCAT
" NEW DELHI
" PARIS
USCINCEUR VAIHINGEN GE
USCINCPAC

ACTION:

COL-3

10724

CONFIDENTIAL TEHRAN

E.O. 11652: GDS
TAGS: PINS, PORS, PGOV, PINT, IR, SHUM
SUBJECT: POLITICAL/SECURITY REPORT, NOV 2

SUMMARY: SHARIATMADARI SOFTENED EARLIER COMMENT ABOUT RESORT TO ARMED INSURRECTION. IMF LEADER BAZARGAN REITERATED CONDEMNATION OF VIOLENCE AND CALLED FOR SUPPORT OF CONSTITUTION. KHOMEINI SAYS HE WILL ACCEPT "WHATEVER IRANIAN PEOPLE DECIDE." BAZARGAN AND AZMOUN REACT BITTERLY TO AHDARI'S CHARGE OF CORRUPTION AND DEMAND INVESTIGATION. IRAN AIR DOMESTIC FLIGHTS GROUNDED BY POLITICAL STRIKE. INTERNATIONAL FLIGHTS CONTINUE. SHAH MET WITH SHAH, LATER EXPRESSED SUPPORT FOR SHARIF-EMAMI

DRAFTED BY: POL:LAB | DRAFTING DATE: 11-2-78 | APPROVED BY: AMB:JLHELL

CONFIDENTIAL

GOVT. JUDGES IN SANANDAJ RESIGNED TO PROTEST SEVERAL KILLINGS THERE. MIN OF JUSTICE HOPES ALL POLITICAL PRISONERS WILL BE RELEASED BY DEC 10. KURDISTAN GOV-GEN DENIED STUDENTS EVER TOOK OVER AMOL; SAID PEOPLE WHOM THEY ARRESTED AS PROGOVT STOOGES WERE REPORTEDLY TWO GENDARMES AND A CRIMINAL SUSPECT. MANY DEMONSTRATIONS, SOME PROGOVT, BUT NO DEATHS REPORTED. LARGE DEMONSTRATIONS AT TEHRAN UNIVERSITY AND IN STREETS; ISLAMIC AND LEFTIST STUDENTS HAVE APPARENTLY PATCHED UP DIFFERENCES. RELIABLE SOURCE INDICATES GOVT NOT ALARMED BY UNREST, AS IT MAKES ULTIMATE CRACKDOWN MORE PALATABLE. SOURCE ALSO STATED SAVAK PURGE CAME AFTER PRIMIN LEARNED ORGANIZATION WAS BEHIND AT LEAST SOME OF RECENT PROGOVT STREET BRAWLERS. ISFAHAN AYATOLLAHS ISSUE CALL FOR RETURN OF KHOMEINI. MORE REPORTS OF ANTIFOREIGN HOSTILITY. END SUMMARY.

1. AYATOLLAH SHARIATMADARI STRONGLY QUALIFIED PREVIOUS STATEMENT THAT OPPOSITION MIGHT HAVE TO RESORT TO ARMED INSURRECTION. IN INTERVIEW YESTERDAY HE OPPOSED ANARCHY AND TERROR BUT AGAIN SAID "IF WE CANNOT GET WHAT WE WANT THROUGH REASONABLE MEANS WE WILL START FIGHTING." HE ATTACKED AFP FOR MISINTERPRETING HIM. MEANWHILE IN PARIS, NATIONAL FRONT LEADER KARIM SANJABI AND AYATOLLAH KHOMEINI SPOKE SEPARATELY TO JOURNALISTS BUT SAID VIRTUALLY NOTHING REGARDING THEIR TALKS WITH EACH OTHER. SANJABI AGAIN CONDEMNED VIOLENCE AND SUPPORTED CONSTITUTION, SAYING

FRONT DEMANDS ONLY THAT FUTURE GOVERNMENT HAVE THREE ELEMENTS-NATIONALISM, DEMOCRACY, AND SOCIALISM. KHOMEINI STATED HE WOULD SIMPLY COMPLY WITH THE WILL OF THE IRANIAN PEOPLE. HE PROPOSED A NATIONAL ASSEMBLY TO DIRECT ADMINISTRATIVE AFFAIRS. IN TEHRAN, INF SPOKESMAN DARIOUSH FOROUHAR SAID FUTURE SHOULD BE DECIDED BY NATIONAL REFERENDUM.

2. MAJLES DEPUTY ABBAS AKHBARI'S CHARGE THAT EDUCATION MINISTER GANJI AND FORMER MINISTER OF STATE AZMOUN WERE GUILTY OF CORRUPTION BROUGHT STRONG COUNTERATTACK FROM BOTH MEN. GANJI DEMANDED OFFICIAL INVESTIGATION INTO HIS OWN ACTIVITIES. PRESS REPORTS SHOW OF SUPPORT FOR MINISTER FROM TEACHERS THROUGHOUT IRAN. AZMOUN ALSO CALLED FOR PROSECUTOR GENERAL TO PROVE HIS SUPPOSED CORRUPTION. HE IS SUING AKHBARI FOR FALSE ACCUSATION.

3. FORMER PRIMIN ALI AMINI MET WITH SHAH YESTERDAY. AUDIENCE REVIVED PERSISTENT RUMORS AMINI WILL BE NEXT PRIMIN, BUT AMINI HIMSELF EXPRESSED SUPPORT FOR SHARIF-EMAMI GOVT. HE DESCRIBED MEETING AS EXCHANGE OF VIEWS.

4. IRAN AIR DOMESTIC FLIGHTS ARE GROUNDED BY POLITICALLY-BASED STRIKE. EMPLOYEES DEMAND RELEASE OF POLITICAL PRISONERS, END OF MARTIAL LAW, DISMISSAL OF ALL FOREIGN IRAN AIR EMPLOYEES, PUNISHMENT OF FORMER DIRECTOR KHADEMI, AND AN END TO FIXED RIAL-DOLLAR EXCHANGE RATE. INTERNATIONAL FLIGHTS ARE PROCEEDING, BUT PANAM REPORTS HARASSMENT AND SOME DIFFICULTY IN MANAGING PASSENGER LOADS.

5. ALL JUDGES OF SANANDAJ (CAPITAL OF KORDESTAN) HAVE RESIGNED IN PROTEST AGAINST RECENT DEATHS OF SEVERAL DEMONSTRATORS.

6. NEW MINISTER OF JUSTICE HOSSEIN NAJAFI STATED YESTERDAY HE EXPECTS ALL REMAINING POLITICAL PRISONERS TO BE RELEASED BY DEC 10 HUMAN RIGHTS DAY. REMARK WAS SHORT OF A DEFINITE ASSURANCE; HE SAID SINCE THESE PRISONERS HAD BEEN TRIED BY MILITARY COURTS, ONLY SHAH COULD RELEASE THEM. SAVAK HAD PREVIOUSLY STATED 600 POLITICAL PRISONERS REMAIN. FIGURE IS DISPUTED BY HEDAYATOLLAH MATIN-DAFTARY OF COMMITTEE FOR THE DEFENSE OF POLITICAL PRISONERS, WHO SAID THERE ARE AT LEAST 900.

7. OCT 31 INCIDENT IN AMOL, WHEN STUDENTS REPORTEDLY TOOK OVER TOWN [illegible], REMAINS FUZZY. MAZANDARAN GOV-GEN SAYEED BAHADORI DENIED THESE REPORTS. HE SAID STUDENTS DID PATROL STREETS LOOKING FOR PROGOVT "HOOLIGANS," AND ARRESTED THREE SUSPECTS. THESE WERE, HOWEVER, ACCORDING TO GOVT, TWO GENDARMES AND A CRIMINAL SUSPECT WHO WAS BEING TAKEN TO AMOL FOR INDICTMENT. PRESS REPORTS ARMY TROOPS FREED GROUP NUMBERED FROM 3 TO 6.

8. MANY DEMONSTRATIONS AGAIN TOOK PLACE WITH SOME CLASHES BUT NO DEATHS REPORTED. PROGOVT DEMOS ALSO OCCURRED, ONE INVOLVING ALAM FAMILY CLAN IN BIRJAND. IN TEHRAN STUDENTS RALLIED ON CAMPUS AS USUAL. AMCIT EYEWITNESS REPORTED ISLAMIC AND LEFTIST GROUPS SEEM TO HAVE PATCHED UP DIFFER-

ENCES. THEY ASSEMBLED TOGETHER INSTEAD OF SEPARATELY AS HAD BEEN THE CASE PREVIOUSLY. LARGE CROWD ALSO DEMONSTRATED IN STREETS. PRESS ESTIMATES CROWD AT 100,000 BUT RELIABLE EYEWITNESSES PUT IT IN 15,000 TO 20,000 RANGE. EMBASSY HAS LEARNED NATIONAL FRONT CALLED RALLY FOR NOV 2 BUT THAT BAZAAR LEADERSHIP (WHO USUALLY SUPPORT RELIGIOUS HIERARCHY) ARRANGED DEMONSTRATION A DAY EARLIER. (COMMENT: THIS COULD REPRESENT DELIBERATE ATTEMPT TO KEEP DISTANCE BETWEEN RELIGIOUS LEADERS AND NATIONAL FRONT). AMCIT EYEWITNESS REPORTS WHEN SOME DEMONSTRATORS BEGAN TO ROCK STATUE OF REZA SHAH, CROWD SHOUTED "NO, NO" AND STATUE WAS LEFT UNDAMAGED.

9. CONSULATE ISFAHAN REPORTS AYATOLLAHS OF THAT CITY HAVE JOINTLY DECLARED KHOMEINI MUST RETURN TO IRAN.

10. IRANIAN WHO IS EXPERIENCED IN HIGH GOVT CIRCLES INFORMED EMBOFF EVENING NOV 1 THAT MINISTRY OF INTERIOR IS RELATIVELY UNWORRIED BY RASH OF STRIKES AND DEMONSTRATIONS. GOVT FEELS THIS WILL MAKE EVENTUAL CRACKDOWN MORE PALATABLE TO GENERAL PUBLIC. HE BELIEVES MODERATE RELIGIOUS LEADERS WILL ULTIMATELY ACCEPT A COMPROMISE. THE EXTREMISTS MAY HAVE TO BE QUELLED FORCIBLY, WHICH WOULD MEAN TEMPORARY MILITARY GOVT, PERHAPS ONE OR TWO MONTHS. (COMMENT: SOURCE REPRESENTS AN EXCELLENT AND PROBABLY ACCURATE MIDLEVEL BUREAUCRATIC VIEW WITHIN GOI. WE SENSE HE MAY BE UNDERESTIMATING DIFFICULTY WITH BOTH

RELIGIOUS ELEMENT AND EFFICACY OF CRACKDOWN).

11. SAME SOURCE REPORTS PURGE OF SAVAK CAME AFTER PRIMIN LEARNED ORGANIZATION ARRANGED RECENT VIOLENT PROGOVT DEMONSTRATIONS. SAVAK MAY ALSO HAVE STAGED SOME OF THE ANTIGOVT SHOWS. FURTHERMORE MAJLIS DEPUTY AKHBARI, WHO BROUGHT CENSURE MOTION AGAINST SHARIF-EMAMI, IS LONGTIME SAVAK AGENT. SHARIF-EMAMI'S ANGER AT THIS NEWS SPELLED END FOR PARVIS SA[illegible]VI.

12. ANTIFOREIGN INCIDENTS CONTINUE, STILL WITHOUT ANY SERIOUS INJURIES TO AMCITS BUT RESULTING IN INCREASED APPREHENSION. CONSULATE ISFAHAN REPORTS ABORTIVE ATTEMPT TO FIREBOMB ENTRANCE TO FLUOR THYSSEN. CONSULATE ALSO REPORTS THREE AMCITS WHO HAD RECEIVED THE WIDELY-DISTRIBUTED "CURSED YONKY" NOTE RECEIVED A FOLLOWUP NOTE: QUOTE YOU HAVE BEEN WARNED. GO HOME OR/WE WILL KILL YOU. UNQUOTE. ALL THREE HAVE LEFT IRAN. EARLIER REPORTS THAT IRANIANS IN AHWAZ AREA WERE THROWING ROCKS AND [illegible] FOREIGNERS IS CONFIRMED. FLUOR IRAN HAS REMOVED ITS PERSONNEL FROM OILFIELDS AFTER TWO DAYS OF SUCH INCIDENTS. VIOLENCE WAS ANTIFOREIGN RATHER THAN ANTIAMERICAN; NON-AMERICAN EXPATRIATES ALSO WERE ATTACKED. SOLAR TURBINE, SUBSIDIARY OF INTERNATIONAL HARVESTER, HAS SENT HOME ALL DEPENDENTS, INCLUDING 10 FAMILIES IN AHWAZ AND 15 FAMILIES FROM TEHRAN. CONTROL DATA HAS SENT HOME ITS DEPENDENTS, NUMBERING 26. EMB HAS SECONDHAND BUT RELIABLE REPORT THAT [illegible] HAS ALSO SENT DEPENDENTS HOME. SULLIVAN

DEPARTMENT OF STATE

BRIEFING MEMORANDUM

S/S

SECRET/NODIS

To : The Secretary

From: INR - David E. Mark, Acting

The Gathering Crisis in Iran

This paper outlines our perspective on the fast-breaking events in Iran and on the steps the Shah must take very soon. We conclude that only drastic measures by the Shah hold any promise for staving off a descent into chaos.

The Shah's attempts to appease his opponents have failed. The opposition is coalescing and gaining momentum, while he loses the initiative. The Shah himself has admitted in conversation with Ambassador Sullivan that immediate action is needed to quell the turmoil, but he seems unable to make up his mind what to do. Indeed, the process of consultations with Ambassadors Sullivan and Parsons betrays his inability to come to grips with the problems that face him. So far, the Shah cannot see beyond half-measures designed to defer hard decisions. If he has convinced himself that his ideas to date represent bold gestures or sweeping changes, then he is seriously out of touch with the current scene. His reversion to the moods of depression and vaccillation he displayed in the early 1950's makes it doubtful that he can move to salvage what remains of national unity, unless others intervene on his behalf.

In our judgment, the Shah has only two choices:

--He can stay on as a constitutional monarch with severely limited powers. This would mean allowing a coalition of moderate politicians to govern the country with the backing of moderate religious leaders; or

--He can abdicate, probably triggering a military takeover. No matter what he does, the Shah's powers will be reduced. If he does nothing to channel the course of events, he is likely to be ousted.

Regardless of how the transition process unfolds, short-term repression will probably be necessary to end the disorders. This crackdown, however, is no answer to the basic problem, since repression inevitably will lead to even greater violence and risks the total collapse of authority and the radicalizat ón of Iranian politics.

To remain on his throne, without resorting to military rule, the Shah must reach an accord with his leading middle-of-the-road opponents. And, he must do this very soon. To make his approach credible, this accord would have to be followed by free elections much earlier than the scheduled June 1979 date. So far, the Shah has exhibited no willingness to accept such extreme measures.

Intelligence reports indicate that moderate opposition politicians and religious leaders are trying to reach agreement among themselves on the formation of a government with greatly increased powers, but with the Shah remaining as a constitutional monarch. The fly in this ointment is the attitude of exiled Ayatollah Khomeini in Paris. The elderly religious leader, a veteran of decades of struggle with the Palace, is determined that the Shah must go (Khomeini has not been in Iran for 15 years, and has little idea of changes that have taken place.) He wants a weak government bound to the religious hierarchy. Perceiving that the Shah is on the ropes, Khomeini is likely to continue to ignore entreaties from lesser religious leaders and moderate politicians that steps be taken to prevent disintegration of the Iranian polity. With Khomeini's almost mystical sway over current Iranian protestors, the others are highly reluctant to make a move they know he will oppose. (For example, Ayatollah Shariat-Madari, who is the leading religious figure in Iran, threatened on November 1 to form an armed movement unless the Shah submitted peacefully to demands from the religious leaders.)

In these circumstances, the Shah will have to offer the moderates a deal they cannot refuse that would leave Khomeini out in the cold. The Shah might pull this off but only at the cost of his personal power.

If the Shah does not make a dramatic move before the beginning of the month of Moharram on December 2, far more serious violence is a certainty. The 10th of Moharram (December 11) is especially significant to Iranian Muslims, and Shariat-Madari and a former prime minister have predicted that the Shah would be finished by that date. (The government, apparently reacting to this theme, has announced that all political prisoners would be freed on December 10, ironically the 30th anniversary of the signing in Tehran of the Declaration of Human Rights.)

Unless the Shah acts very soon, the chances of military intervention are high. Order imposed by the Army probably would not last more than six months. The economy already has been damaged, and the ordinary Iranian has learned that, even without guns, he can exercise strong political power. There is no way that the military can force the millions of newly sensitized Iranians to return to work willingly for the glory of the badly tarnished Pahlavi regime.

Drafted:INR/RNA/SOA;DGBGriffin:x22757:11/2/78

TELEGRAM

1978 NOV -2 AM 7:43

INDICATE COLLECT / CHARGE TO

19206

FROM	CLASSIFICATION
AMEMBASSY TEHRAN	SECRET

E.O. 11652:
TAGS:
SUBJECT:

ACTION:

DCM:2

AMB
POL
CRU

ACTION: SECSTATE WASHDC IMMEDIATE

INFO: USINT BAGHDAD
AMEMBASSY ANKARA
DOHA
ISLAMABAD
JIDDA
KABUL
KUWAIT
LONDON
MANAMA
MOSCOW
MUSCAT
NEW DELHI
PARIS
ROME
USCINCEUR VAIHINGEN GE
USCINCPAC

SECRET TEHRAN 19206

EXDIS

E.O. 11652: GDS
TAGS: PINS, PGOV, IR

SUBJ: LOOKING AHEAD: THE MILITARY OPTION
REF: TEHRAN 10267 (NOTAL)

SUMMARY: A MILITARY TAKEOVER IS FEASIBLE, BUT AT HEAVY LONG-TERM COST FOR U.S. INTERESTS AS WELL AS FOR IRAN.

END SUMMARY

1. IT HAS BECOME A COMMONPLACE IN TEHRAN CONVERSATIONS

DRAFTED BY:	DRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED BY
DCM:CWNaas/ POL:GBLambrakis	1110	11/2/78	AMB:WSullivan

CLEARANCES:
OR:
A/DCM:JMills
DAO:Col. TESchaefer

SECRET
CLASSIFICATION

50152:101

THESE DAYS THAT THE COUNTRY IS HEADING EVER CLOSER TO SOME SORT OF MILITARY TAKEOVER AS THE ONLY EFFECTIVE WAY OF STOPPING STREET DISORDERS AND VIOLENCE. THE MAIN DIFFERENCE OF OPINION IS BETWEEN THOSE WHO BELIEVE THAT THE POLARIZATION OF OPPOSING FORCES BETWEEN THE KHOMEINI CAMP AND THE SHAH'S HAS REACHED THE POINT OF NO RETURN, LEADING TO A TEST OF STRENGTH, AND THOSE WHO BELIEVE THAT THIS TEST OF STRENGTH CAN STILL BE POSTPONED OR AVERTED BY INTRODUCTION OF A POLITICAL SOLUTION WITHIN THE PRESENT CONSTITUTIONAL FRAMEWORK. ALMOST EVERYBODY AGREES A MILITARY TAKEOVER WILL BE ORDERED BY THE SHAH EVENTUALLY IF THE DISORDERS CONTINUE. DIFFERENCES OF OPINION EXIST AS TO THE DEGREE OF CHAOS THAT WILL BE AVERTED BY SUCH A MILITARY TAKEOVER, THE DEGREE OF LONG-TERM HARM THAT WILL BE DONE BY IT, ITS LIKELY DURATION, AND THE FORCES WHICH WILL EMERGE IN IRAN UNDER THE MILITARY REGIME AND AFTERWARD.

2. MOST PEOPLE BELIEVE THE MILITARY ARE PRESSING FOR SUCH A TAKEOVER. TOP MILITARY OFFICERS HAVE CONTINUED TO EXPRESS TO US IN A VERY DIRECT WAY THEIR IMPATIENCE WITH THE PRESENT GOVERNMENT. AIR FORCE GENERAL RABII HAS BEEN THE MOST BLUNT AND OUTSPOKEN, AND HE IS CHAMPING AT THE BIT TO IMPOSE ORDER. ADMIRAL HABIBOLLAHI, GENERAL OVEISI, AND OTHERS, WHILE NOT AS EXTREME AS RABII, BELIEVE A HALT MUST BE CALLED TO THE VAST PUBLIC DISORDERS. GENERAL AZHARI, PERHAPS THE MOST REFLECTIVE AND SOBER OF

THE MILITARY ESTABLISHMENT, APPEARS TO BE WOBBLING: HE RECENTLY TOLD GENERAL GAST, CHIEF OF ARMISH-MAAG, THAT PERHAPS THE SHAH HAD GONE TOO FAR TOO QUICKLY IN HIS LIBERALIZATION. THESE OFFICERS PROFESS LOYALTY TO THE SHAH -- WE BELIEVE SINCERELY -- AND IMPLY THAT NO ACTION WOULD BE TAKEN WITHOUT HIS BLESSING. THEY ALSO REALIZE THAT WITHOUT THE SHAH'S APPROVAL A MILITARY GOVERNMENT WOULD LOSE ANY VENEER OF "LEGITIMACY." THEY ARE, HOWEVER, DEEPLY DISTURBED BY THE APPARENT WEAKNESS AND VACILLATION OF THE SHAH CURRENTLY, AND IN DUE COURSE MAY ATTEMPT TO FORCE HIS HAND -- JOIN US OR LEAVE.

3. SUPPORTING THE IDEA OF TAKEOVER ARE MANY EMBASSY CONTACTS WITHIN THE BUSINESS AND GOVERNMENT ESTABLISHMENT HERE, INCLUDING SOME TECHNOCRATS. THEY FREQUENTLY PHRASE THE THOUGHT MORE GENTLY "AS THE NEED FOR FIRM LEADERSHIP" AND VIEW IT AS THE LESSER OF TWO EVILS IF DISORDERS CONTINUE AND POLITICAL REMEDIES SEEM UNAVAILING. MANY HAVE CONVINCED THEMSELVES THAT NOTHING LESS THAN THE NATIONAL SURVIVAL OF IRAN AND ITS NON-COMMUNIST FUTURE ARE AT STAKE. A GOODLY PORTION OF THESE PEOPLE CONSISTS, ON THE OTHER HAND, OF MODERATES WHO EAGERLY WISH FOR A POLITICAL SOLUTION RATHER THAN A MILITARY TAKEOVER. EVEN THE STRONGER PARTISANS OF A TAKEOVER READILY ADMIT IT WOULD INFLICT DEEP WOUNDS ON NATIONAL COHESIVENESS IN THE LONG RUN.

4. THE SHAH HIMSELF TOLD THE AMBASSADOR THAT ONE OF HIS OPTIONS WOULD BE A MILITARY GOVERNMENT. HE HAS SAID THIS COULD BE EITHER STRAIGHT-OUT RULE BY THE ARMED FORCES OR A MIXED CIVILIAN/MILITARY GOVERNMENT WITH A GENERAL AS PRIME MINISTER. HE HAS NOT SPECIFIED WHO THE GENERAL WOULD BE, THOUGH FEREIDUN JAM, A FORMER CHIEF OF STAFF AND PRESENT AMBASSADOR TO SPAIN, HAS OFTEN BEEN MENTIONED BY CIRCLES BEST DESCRIBED AS NEITHER WHOLE-HEARTEDLY PRO-SHAH NOR OPPOSITIONIST.

5. ANY TAKEOVER WOULD HAVE TO INVOLVE A VERY HARD CRACK-DOWN ON DEMONSTRATORS IN THE STREETS, STUDENTS AND PROFESSORS DEMONSTRATING IN THE UNIVERSITIES, SCHOOL CHILDREN AND TEACHERS DEMONSTRATING IN THE SCHOOLS, RELIGIOUS LEADERS AND THEIR BAZAARI MERCHANT BACKERS, LEFT-WINGERS OF ALL SORTS, AND SUFFICIENT NUMBERS OF STRIKING WORKERS TO GET ALL STRIKERS BACK ON THE JOB. SOME CURBS ON THE PRESS WOULD BE INEVITABLE. THE MOMENTUM OF THIS OPERATION WOULD INVOLVE THOUSANDS OF ARRESTS, AMONG THE FIRST PROBABLY BEING MANY OF THE POLITICAL PRISONERS THAT HAVE BEEN RELEASED OVER THE PAST YEAR OR TWO. SINCE THE OPPOSITION HAS MADE IT CLEAR IT IS PREPARING GUERRILLA-STYLE RESISTANCE, THE ARMY WOULD HAVE TO FACE EXTENSIVE URBAN VIOLENCE AND A DEGREE OF HIT-AND-RUN TERRORISM OUTSIDE THE CITIES. GIVEN THE PRO-GOVERNMENT PASSIVITY OF LARGE AREAS OF THE COUNTRYSIDE (MANY OF THEM INHABITED BY

SUNNI MOSLEM TRIBES WHO WERE PACIFIED BY REZA SHAH AND THE PRESENT SHAH NOT SO LONG AGO), THE ARMY SHOULD BE ABLE TO HANDLE DISTURBANCES OUTSIDE THE LARGER CITIES. FOR URBAN PURPOSES, THE POLICE AND SAVAK WOULD HAVE TO BE GIVEN A FREER HAND THAN IN RECENT MONTHS, PERHAPS ASSISTED BY SOME SORT OF MILITARY INTELLIGENCE IN WHOM THE ARMY HIGH COMMAND WOULD HAVE GREATER CONFIDENCE. TO BE EFFECTIVE, THE TAKEOVER WOULD HAVE TO TURN IRAN BACK INTO THE TIGHTLY CONTROLLED STATE IT WAS BEFORE LIBERALIZATION BEGAN IN MID-1976.

6. WE ARE QUIET SURE THIS CAN BE DONE -- BUT AT A COST. WE BELIEVE THE VAST PERCENTAGE OF THE MILITARY OFFICERS WOULD BE LOYAL TO SUCH A GOVERNMENT -- PARTICULARLY IF THE SHAH'S IMPRIMATUR WAS ON IT -- AND A LARGE PERCENTAGE OF THE TROOPS WOULD FOLLOW THEIR OFFICERS. (THE GOVERNMENT'S POLICY OF STATIONING TROOPS AWAY FROM THEIR HOME AREA WOULD HELP IN THIS RESPECT, THOUGH WE WOULD WITNESS SOME DESERTIONS AND EVEN DEFECTIONS TO THE OTHER SIDE.) A DEGREE OF ANTAGONISM EXISTS BETWEEN THE MILITARY AND THE SECURITY FORCES, BUT THIS IS MORE IN THE NATURE OF RIVALRY THAN ANY DIFFERENCE OF POLICY, AND WE WOULD EXPECT THE SECURITY AGENCIES TO COOPERATE.

7. ON THE OTHER HAND, ALMOST EVERYONE AGREES THE LONG-TERM COSTS WOULD BE HEAVY. IN THE EYES OF VAST NUMBERS OF MODERATES WHO HAVE BEEN HOPING FOR A MODERATE OUTCOME,

ANY RESIDUAL CREDIBILITY RETAINED BY THE SHAH -- AND HIS PROMISES OF LIBERALIZATION -- WOULD BE LOST. POLARIZATION BETWEEN SUPPORTERS AND OPPONENTS OF THE NEW REGIME WOULD OCCUR VERY RAPIDLY, ERODING ANY CONSENSUS OF THE MODERATES IN THE CENTER. TERRORISTS, AND THOSE MOST EXPERIENCED IN GUIDING THEM, WOULD RAPIDLY GAIN INFLUENCE AND PRESTIGE AS LEADERS OF THE OPPOSITION. THE MILITARY, WHO HAVE SO FAR MADE AN EFFORT TO PRESENT THEMSELVES AS ABOVE THE POLITICAL SQUABBLE, WOULD BE IDENTIFIED FOR THE FUTURE ON THE SIDE OF REPRESSION. THE INTERNATIONAL OUTCRY IN THE U.S. AND ELSEWHERE WOULD REACH NEW DECIBEL LEVELS. THE SITUATION WOULD IN THIS SENSE BE LESS COMPARABLE TO LEBANON TODAY THAN TO THE REGIME OF THE COLONELS IN GREECE OR TO LATIN AMERICAN JUNTAS OVER THE YEARS. BLOODSHED WOULD INCREASE AND AFFECT LARGER NUMBERS OF THE POPULATION THAN EVER BEFORE IN PAHLAVI HISTORY. THE PSYCHOLOGICAL WOUNDS OF THIS PROCESS WOULD LINGER ON A LONG TIME AFTER THE MILITARY TAKEOVER ENDED.

8. THE TECHNICAL PROBLEMS ARE ALSO WORTH CONSIDERING. IT IS HIGHLY DOUBTFUL THAT THE MILITARY HAVE EXPERTS AND TECHNICAL KNOW-HOW SUFFICIENT TO RUN THE OIL FIELDS AND REFINERIES, RUN A NATIONAL BUDGET, AND OTHERWISE KEEP THE ECONOMIC LIFE OF THE NATION ON AN EVEN KEEL. WITH BAZAARI LEADERSHIP BOUND TO BE AGAINST THEM, MANY MODERATE TECHNOCRATS RELUCTANT TO BE ASSOCIATED WITH A MILITARY REGIME, AND

OIL WORKERS AND OTHERS UNHAPPY AND JUMPY, THE MILITARY REGIME WOULD HAVE ITS HANDS FULL. THREATS OF PRISON AND WORSE WOULD WORK ONLY UP TO A POINT. THIS COULD BECOME A CONSIDERABLE FACTOR SLOWING DOWN ECONOMIC LIFE IN THE COUNTRY AND DOING LITTLE TO INCREASE THE POPULARITY OF THE MILITARY AMONG THE POPULATION AT LARGE.

9. TIMING OF THE TAKEOVER IS ALSO IMPORTANT. THE ABOVE COSTS WOULD BE LESS HIGH IF THE TAKEOVER CAME LATER RATHER THAN SOONER. DELAY BY THE SHAH AND THE MILITARY IN IMPOSING THIS OPTION WILL HELP CONVINCE MANY CONSERVATIVES WHO ARE WAIVERING THAT THE TAKEOVER WAS INDEED JUSTIFIED. A CLEVER PUBLIC RELATIONS CAMPAIGN (FOR WHICH, HOWEVER, THE GOI HAS SO FAR SHOWN LITTLE TALENT

WOULD ALSO HELP SWAY PEOPLE TO THE PROPOSITION THAT THE TAKEOVER WAS FORCED ON THE GOVERNMENT BY THE OBTUSENESS OF THE OPPOSITION. WHETHER ENOUGH MODERATES WOULD BE SWAYED BY SUCH ARGUMENTS TO HOLD OUT HOPES FOR AN EVENTUAL MAJORITY FAVORING THIS REGIME IT IS DIFFICULT AT THIS TIME TO SAY. MOST INDICATIONS ARE THAT THE GOVERNMENT SUPPORTERS WOULD BE WHITTLED AWAY OVER THE LIFE OF SUCH A GOVERNMENT AS THE INTERNATIONAL PRESS PLAYED UP EXCESSES WHICH WOULD BE BOUND TO OCCUR IN THE PROCESS OF LAW ENFORCEMENT.

10. A FURTHER FACTOR TO BE CONSIDERED WOULD BE THE EFFECT ON USG IMAGE AND POLICY -- AS WELL AS THE INCREASED URBAN TERRORISM AGAINST AMERICAN CITIZENS HERE. THE OPPOSITIONISTS CLAIM, WITH CONSIDERABLE JUSTIFICATION, THAT A MILITARY TAKEOVER WOULD STRENGTHEN THE HANDS OF THE LEFT-WINGERS AND THE SOVIETS. OUR LONG ASSOCIATION WITH THE SHAH'S REGIME AND HIS ARMY WOULD MAKE US A TARGET FOR THE ACCUSATION THAT WE WERE BEHIND THE TAKEOVER AND CONTINUING TO SUPPORT IT AGAINST THE WILL OF THE IRANIAN PEOPLE. PERHAPS THIS WILL PROVE TO BE AN UNAVOIDABLE PENALTY WE WILL HAVE TO PAY, BUT WE SHOULD BE UNDER NO ILLUSIONS THAT A PENALTY IT WILL BE, COUNTING AGAINST US IN WORLD PUBLIC OPINION AND PROBABLY RETURNING TO HAUNT US IN IRAN ONCE THE MILITARY REGIME HAS RUN ITS COURSE. MEANWHILE, WE WOULD HAVE TO EXPECT RENEWED ATTACKS ON AMERICAN CITIZENS HERE

OPTIONAL
(Replaces FS 41
January
Dept. of

BY THE ORGANIZED URBAN TERRORIST ORGANIZATIONS, WHICH HAVE FOR THE MOST PART CEASED THEIR ACTIVITIES AGAINST US OVER THE PAST TWO YEARS.

SULLIVAN

TELEGRAM

INDICATE CHANGE TO

10693

FROM	CLASSIFICATION
AMEMBASSY TEHRAN	SECRET/EXDIS

E.O. 11652:
TAGS:
SUBJECT:
ACTION:

ACTION: SECSTATE WASHDC IMMEDIATE

SECRET TEHRAN 10693
EXDIS

EXDIS

E.O. 11652: GDS

TAGS: PINT, IR

SUBJECT: GOI TACTICS

REF: STATE 278290

DCM-2
AMB
POL
CPU

1. ZAHEDI TELEPHONED SHAH WHILE I WAS AT PALACE NOV 1 AND SUGGESTED TACTICS CONTAINED REFTEL. SHAH CUT HIM OFF SHORT WITH STATEMENT THAT THIS WAS NOT RPT NOT 1953 AND WAS NOT EVEN SAME SITUATION THAT EXISTED TWO WEEKS AGO WHEN ZAHEDI WAS HERE.

2. THERE HAVE BEEN SOME SUGGESTIONS THAT ZAHEDI WAS BEHIND EVENTS IN KERMAN ABOUT TWO WEEKS AGO WHERE MOSQUE WAS ATTACKED AND NUMBER OF PEOPLE KILLED. WHOLE INCIDENT BADLY BACKFIRED. NEVERTHELESS, A KURDISH TRIBAL LEADER (WHO IS A MEMBER OF THE PARLIAMENT) IS ACCUSED OF INSTIGATING A BLOODY ATTACK BY TRUCKLOADS OF HIS PEOPLE ON THE LITTLE KURDISH TOWN OF PAVEH A FEW DAYS AGO LEAVING 11 DEAD BY OFFICIAL ADMISSION. THE SAME GOVERNMENT SUPPORTERS THREATENED TO ATTACK THE PROVINCIAL CENTER OF KERMANSHAH THE NEXT DAY UNTIL PREVENTED BY ARMY

DRAFTING OFFICE	DRAFTING DATE	TEL. EXT.	CONTENT AND CLASSIFICATION APPROVED BY:
WSullivan/POL:GBLambrakis	11-2-78		AMBASSADOR

OPTIONAL FORM 152(H)
(Formerly FS-4)
January 1975
Dept. of State

PROMISES OF PROTECTION FOR THE CITIZENS. REZAIYEH AND OTHER TOWNS HAVE SEEN PRO-GOVERNMENT DEMONSTRATIONS BALUCHI TRIBESMEN PARADED IN ZAHEDAN MONDAY AND ALAM FAMILY SUPPORTERS CAME OUT IN BIRJAND YESTERDAY. POPULAR "ARREST" OF 2-6 (VERSIONS VARY) POLICE OR SECURITY OFFICIALS IN AMOL NIGHT BEFORE LAST/IS BEING INTERPRETED BY MANY AS EVIDENCE THAT SECURITY FORCES ARE BEHIND MANY OF THE TROUBLESOME INCIDENTS--ESPECIALLY AS THE ARRESTEES WERE WHISKED OFF YESTERDAY IN A COMMANDO-LIKE RAID BY THE MILITARY, WHEN THEY WERE BEING HELD FOR TRIAL BY CIVILIAN COURT OFFICIALS. OBVIOUSLY THE 1953 MENTALITY HAS ITS SUPPORTERS HERE WHETHER THEY ARE UNDER ZAHEDI'S LEADERSHIP OR NOT.

3. IN 1953, THE BAZAARIS AND MULLAHS LED MOBS IN SUPPORT OF THE MONARCHY. IN 1978, THEY ARE LEADING MOBS AGAINST THE MONARCHY. ZAHEDI CANNOT SWITCH THE BAZAARIS AND MULLAHS OF TODAY. RECOURSE TO MOB VIOLENCE UNDER PRESENT CONDITIONS WOULD ONLY ASSIST THE POLARIZATION BETWEEN SHAH AND KHOMEINI SUPPORTERS WHICH WE ALL HOPE TO AVERT. ONLY A POLITICAL SOLUTION WHICH CAPITALIZES ON THE MODERATES OF THE CENTER, WITH "GIVE" BY BOTH THE SHAH AND THE RELIGIOUS OPPOSITION, CAN PRESERVE IRAN'S BASIC STABILITY WHILE PROMOTING THE ORDERLY DEVELOPMENT OF DEMOCRATIC PRACTICES THAT WE SUPPORT.

SULLIVAN

SECRET LIMDIS

CSAI968RA894

[illegible]

[illegible]HC #8241 3192035

[illegible]3234

[illegible]2217 NOV 79

[illegible]TO STATE WASHDC

ALL EUROPEAN DIPLOMATIC POSTS IMMEDIATE

NEAR EASTERN AND SOUTH ASIAN DIPLOMATIC POSTS

[illegible]FRS/AMEMBASSY CARACAS IMMEDIATE 3382

[illegible]HKO/AMEMBASSY TOKYO IMMEDIATE 9531

[illegible]GUM/AMEMBASSY KHARTOUM IMMEDIATE 9585

[illegible]MSA/AMEMBASSY PRETORIA IMMEDIATE 3344

[illegible]NME/AMEMBASSY MEXICO IMMEDIATE 6964

[illegible]UTALS/AMEMBASSY LAGOS IMMEDIATE 3015

[illegible]

S E C R E T STATE 282041

LIMDIS - ALL ADDEES IMMEDIATE - TOKYO PASS SEC. SCHLESINGER

[illegible].O. 11652: GDS

TAGS: PEPR, IR

SUBJECT: IRAN SITREP NO. 1, NOV 5, 1979

1. [illegible] ADVISED AMBASSADOR SULLIVAN AND BRITISH AMBASSADOR PARSONS LATE TODAY THAT THE CURRENT GOVERNMENT WILL BE DISSOLVED AND REPLACED BY A MILITARY GOVERNMENT WITH GENERAL AZHARI, CURRENTLY CHIEF OF THE SUPREME COMMANDER'S STAFF, AS THE NEW PRIME MINISTER. TROOPS ARE BEING PREPOSITIONED IN LARGE NUMBERS THROUGHOUT TEHRAN TO RESTORE LAW AND ORDER.

2. CLASHES BETWEEN DEMONSTRATORS AND SECURITY FORCES CONTINUED TODAY AS TEHRAN'S WORST RIOTS IN OVER TEN YEARS SPREAD INTO THE SECOND DAY. LARGE CROWDS ASSEMBLED IN VARIOUS PARTS OF THE CITY. MOBS HAVE BEEN ROAMING THROUGH THE STREETS, BURNING CARS, BUSES, AIRLINE OFFICES, BANKS, CINEMAS AND OTHER BUILDINGS. CROWDS ENTERED THE COMPOUND OF THE BRITISH EMBASSY BUT NO INJURIES WERE REPORTED. THE AMERICAN EMBASSY IS CORDONED OFF AND NO INCIDENTS HAVE BEEN REPORTED AFFECTING AMERICANS. AS OF 2300 TEHRAN TIME, THE CITY REMAINED FAIRLY QUIET BUT SOME ISOLATED CLASHES WERE OCCURING.

3. A TRAVEL ADVISORY RECOMMENDING POSTPONEMENT OF ALL NON-ESSENTIAL TRAVEL TO IRAN HAS BEEN ISSUED. THE EMBASSY HAS ADVISED AMERICAN CITIZENS TO REMAIN AT HOME.

4. THE STRIKE AGAINST OIL FACILITIES CONTINUES. TOTAL PRODUCTION ON NOVEMBER 4 WAS 1.85 MILLION B/D, A DECREASE FROM THE PREVIOUS DAY. WORKERS IN THE NATIONAL IRANIAN OIL COMPANY CENTRAL OFFICE IN TEHRAN HAVE ALSO JOINED THE STRIKE. THE GOI IMPOSED A RESTRICTION ON CURRENCY OUT-[illegible]. VANCE

[illegible]41

SECRET

-23-

ACTION

ACTION:
POLR 1

INFO:
AMB
DCM
ECON
PM
OR
ADM
ISF
SHIR
TABR
SCRO
CRU R7

ACTION

DE RUEHC #0312 3111455
ZNY SSSSS ZZH
O 071359Z NOV 78
FM STATE WASHDC
TO ALL EUROPEAN DIPLOMATIC POSTS IMMEDIATE
ALL NEAR EASTERN AND SOUTH ASIAN DIPLOMATIC POSTS
RUEHRS/AMEMBASSY CARACAS IMMEDIATE 3301
RUEHKO/AMEMBASSY TOKYO IMMEDIATE 9533
RUEHKM/AMEMBASSY KHARTOUM IMMEDIATE 0576
RUEHPA/AMEMBASSY PRETORIA IMMEDIATE 3345
RUEHMX/AMEMBASSY MEXICO IMMEDIATE 6966
RUEALS/AMEMBASSY LAGOS IMMEDIATE 3017
BT
S E C R E T STATE 282065

EXDIS - TOKYO PASS SECRETARY SCHLESINGER

E.O. 11652: OES

TAGS: PINS, IR

SUBJECT: IRAN SITREP NO 2 NOV 6, 1978
ALNEO HANDLEAS ACTION IMMEDIATE ADDRESSEE
1. THE SHAH CARRIED OUT HIS INTENTION EARLY TODAY TO NAME GENERAL AZHARI TO HEAD A MILITARY GOVERNMENT AFTER THE RESIGNATION YESTERDAY OF PRIME MINISTER SHARIF-EMAMI. IN A CONCILIATORY SPEECH THE SHAH SAID HE WAS FORMING A "CARETAKER GOVERNMENT" TO PREVENT ANARCHY AND CHAOS ONLY AFTER IT WAS CLEAR THERE WAS NO CHANCE OF A COALITION. HE PLEDGED TO MAKE UP FOR "PAST MISTAKES, UNLAWFUL ACTS, OPPRESSION AND CORRUPTION." HE PROMISED TO APPOINT A NATIONAL GOVERNMENT TO ESTABLISH FUNDAMENTAL FREEDOMS AND TO HOLD A GENERAL ELECTION AS SOON AS POSSIBLE. THE SHAH'S DECISION CAME AFTER TWO DAYS OF RIOTING IN TEHRAN AND AFTER THE OPPOSITION NATIONAL FRONT ANNOUNCED YESTERDAY IT HAD JOINED FORCES WITH THE AYATOLLAH KHOMEINI IN OPPOSITION TO THE "ILLEGAL REGIME".

2. THE SITUATION WAS MUCH IMPROVED IN TEHRAN TODAY ACCORDING TO OUR EMBASSY. NEVERTHELESS, ALTHOUGH THE MILITARY GOVERNMENT REPEATEDLY ANNOUNCED THAT MARTIAL LAW PROHIBITIONS WOULD BE STRICTLY ENFORCED AND DEMONSTRATORS SHOT, CROWDS ARE ROAMING THROUGH PARTS OF TEHRAN FOR THE THIRD STRAIGHT DAY. SHOOTING, INCLUDING TANK, MACHINE GUN FIRE,

-- MAINLY IN THE AIR IT SEEMS -- IS REPORTED IN THE SOUTHERN SECTION OF THE CITY. YESTERDAY'S FIRES SMOULDER AND A FEW NEW FIRES MAY HAVE BEEN STARTED. AMBASSADOR SULLIVAN REPORTS THAT THE FLOOD OF TROOPS HE HAD BEEN LED TO EXPECT HAS NOT MATERIALIZED, ALTHOUGH ARMORED UNITS ARE IN EVIDENCE. WHEN THE SHAH CALLED AMBASSADOR SULLIVAN TO TELL HIM THE ANNOUNCEMENT OF A MILITARY GOVERNMENT WAS BEING MADE, THE AMBASSADOR TOLD HIM THAT CROWDS WERE FORMING AGAIN AND THAT THE FEW TROOPS PRESENT SEEMED PASSIVE. THE SHAH PROMISED TO PROD THE MILITARY AGAIN. DEMONSTRATORS BROKE INTO THE BRITISH EMBASSY AGAIN, ACCORDING TO AP.

3. STRIKES BY TELECOMMUNICATIONS WORKERS ARE DISRUPTING TELEPHONE AND TELEX COMMUNICATIONS TO THE OUTSIDE WORLD, AND THE COMMUNICATIONS OF OUR MAAG MISSION HAVE BEEN AFFECTED. EMBASSY COMMUNICATIONS ARE NORMAL, AND MINIMIZE HAS BEEN IMPOSED ON TEHRAN AND CONSULAR POSTS.

4. THERE ARE NO REPORTS OF INJURIES TO AMERICANS. AMERICAN CITIZENS HAVE BEEN ADVISED THAT THEY MAY [illegible] TO WORK TOMORROW -- WITH APPROPRIATE PRECAUTIONS.

BT

CONSULATE OF THE
UNITED STATES OF AMERICA
Isfahan, Iran 11/6/78

MEMORANDUM FOR THE FILES
CONFIDENTIAL

From: DCMcGaffey, AmConsul Isfahan
To : Distribution
Subject: Pro-Shah, Pro-Government Demonstrations

While it appears that in some places and at some times, public demonstrations in favor of the Shah are government engendered and government controlled, there have recently occurred in Isfahan at least two apparently spontaneous pro-government demonstrations.

On Oct. 26, a large protest demonstration by teachers and students was scheduled in the area of a religious school near the bazaar. The demonstrators appeared, carrying anti-shah banners, pictures of Khomeini, and placards bearing the hammer-and-sycle. The authorities had decided to allow the demonstration, and had troops nearby, but not in the immediate area. Almost immediately after it began, however, the crowd was pelted with stones from the bazaar area, and another crowd moved in with sticks, attacking the bearers of the hammer-and-sycle plackards and the anti-Shah plackards. They carefully avoided those carrying pictures of Khomeini. Troops moved in quickly, and broke up the melee with night-sticks. Observers who appear to be good sources state that the anti-protest group was headed by a small group of religious students who objected to the linking of Khomeini to "red" slogans and banners, but got the bulk of its members from bazaaris who objected to demonstrations in the bazaar area. These observers report that members of both groups were hit and arrested indescriminately. A bazaari friend of mine, who states that he did not participate but knows those who did, states that the bazaaris are growing desperate, and are in some quarters remembering the good-old-days of high profits before protests began, and that there will continue to be bazaar protests opposing any outsiders who wish to demonstrate in the bazaar. A similar incident occurred on Nov. 2, with the anti-protest group carrying banners promoting a "Shah and People Government" and objecting to leftists, communists, and destructive elements". They attacked a larger group with anti-Shah banners, but after initial rock-throwing, troops formed a line between the two groups and dispersed both. Martial Law authorities told me that they opposed such anti-protest actions, as an incitement to violence, and again bazaar sources agreed it was a spontaneous action. The day after the military government was announced, however, the Martial Law Administration attempted to set up a pro-government march in the bazaar, capitalizing on this feeling, but dissolved it when marchers appeared with signs stating, "Shah-People yes, Martial Law No" and calling for the replacement of the military government by national referendum. National Front sources in Isfahan say that they provided these signs, and that the bazaaris are opposed to continued disruptions, and even favor the Shah, but oppose Martial Law.

CONFIDENTIAL

Comment: Such demonstrations are not entirely surprising to me. I have recently been hearing in numerous conversations, primarily with bazaaris, merchants, and factory-owners, comments blaming the economic disruption on the demonstrators, who know only how to destroy and have no program to build. Others comments that the Shah has many faults, and a large family with worse faults, but that under the Shah there was progress and stability. "If only... (constitutional monarch, Shah finding a way to control his family, Shah instituting a purge of corrupt officials, Shah reaching an accomodation with opposition, etc.)", then they would like to see the Shah on his throne and stability restored. These comments are often made in a tone of despair, as if none of the speakers has any real hope of it occurring, but increasingly the Shah is seen as a symbol of stability, and there are second- and third- thoughts, especially by those with something to lose, about the advisability of protests. Not long after these events, the bazaar closed down in protest to the military government, so these are not evidence of a strong pro-government sentiment, but in Isfahan there is an undercurrent of support for the Shah as an individual (stripped of his family, officials, military aides) which could be used as the basis of reconciliation if the people believed the Shah was taking real action to seperate himself from the corruption seen as surrounding him. Such reconciliation would be bitterly opposed by students and ideologues, but would have support from the middle-class and propertied people.

DIST: Embassy Tehran: AMB/DCM
POL
ECON
CONS

AmConsul Shiraz
AmConsul Tabriz
Dept. of State: NEA/IRN
INR/RNA

November 7, 1978

POL - George B. Lambrakis

POLITICAL SECTION TO E & E PLAN

SY - Robert Bannerman

A. Political Factors

a. Iran is in internal turmoil, undergoing a government crisis of proportions unprecedented for 25 years. The Shah remains for the moment in apparently firm control of the armed and security forces. A military government has just been installed. If it masters the situation and brings law and order back to Iran, a temporary period of quiet can be expected. If a political solution is then worked out, chances are good no emergency and evacuation measures for Americans will be needed. If the military government refuses to move to a political solution, stepped-up terrorism is likely, with Americans probably targeted more frequently and widely than in the past.

On the other hand, if the military government fails to master the security situation, the Shah's departure, and that of his family, is probable. A period of considerable internal unrest would follow. This could entail threats to the American community of a greater magnitude than ever before since World War II. It would almost certainly result in massive voluntary departures of non-essential personnel and dependents.

Externally, there appears to be no likely threat to Iran. The Soviet Union is adopting a cautious attitude.

b. Widespread strikes and demonstrations in many of Iran's cities, including Tehran, have caused anxiety among the American community but only relatively few departures of dependents. Should there be prolonged political uncertainty resulting in less attention to business, hoarding and thus, shortages of foodstuffs, insecurity in supply of auto gasoline, more airport

strikes interfering with international flights, and perhaps exchange controls and other emergency business measures by the authorities, massive departures of Americans could result.

c. Sociological Factors. Iranian xenophobia is present under the surface among large portions of the population, but this is balanced -- and normally controlled -- by strong sentiments of hospitality for strangers. Islam officially reinforces tolerance, but in practice it could result in more taking out of frustrations on foreigner targets -- particularly women. On the basis of experience to date such actions are likely to stop short of the shedding of blood, but intimidation could sow panic among large segments of the American community here, resulting in more voluntary evacuations.

POL:GBLambrakis:hg
x 1110

TELEGRAM

1978 NOV -8

INDICATE
☐ COLLECT
☐ CHARGE TO

10928

FROM	CLASSIFICATION
AMEMBASSY TEHRAN	CONFIDENTIAL

ACTION: SECSTATE WASHDC PRIORITY

INFO: CONGEN DHAHRAN
USINT BAGHDAD
AMEMBASSY ABU DHABI
AMEMBASSY ANKARA
AMEMBASSY DOHA
AMEMBASSY ISLAMABAD
AMEMBASSY JIDDA
AMEMBASSY KABUL
AMEMBASSY KHARTOUN
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY NEW DELHI
AMEMBASSY PARIS
USCINCEUR VAIHINGEN GE
USCINCAPC

CONFIDENTIAL TEHRAN 10928

E.O. 11652: GDS
TAGS: PINS, SHUM, IR
SUBJ: BAZAARI VIEWS ON CURRENT SITUATION

SUMMARY: THREE PROMINENT BAZAARIS TAKE REASONABLE APPROACH TOWARD SITUATION, ASSERTING THEY WOULD BE WILLING TO PRESS KHOMEINI TO PERMIT RESOLUTION OF CURRENT CRISIS IF SHAH WOULD (A) RELEASE ALL POLITICAL PRISONERS IMMEDIATELY, (B) PUNISH ABOUT TEN OF THE MOST PROMINENT MALEFACTORS OF PAST YEARS, AND (C) MOVE TO COALITION GOVT. THEY

POL:GBLambrakis	DRAFTING DATE 11/8/78	TEL. EXT. 1110	CONTENTS AND CLASSIFICATION APPROVED BY: MIN:CWNaas

POL:JDSte[illegible]

OPTIONAL FORM 152(H)
(Formerly FS-413(H))
January 1975
Dept. of State

SUGGEST A COUNCIL OF REPRESENTATIVES FROM BAZAAR, UNIVERSITIES, AND OTHER INTERESTS TO COUNSEL NEW GOVT AND CALM THE STREET DEMONSTRATORS. THIS CONVERSATION PREDATED MILITARY GOVT, BUT COULD STILL HAVE RELEVANCE IN THE FUTURE. END SUMMARY

1. EVENING NOVEMBER 5 VISITING DEPUTY ASSISTANT SECY (HA) CHOEN, NEA/IRN'S CLEMENT, POLITICAL COUNSELOR LAMBRAKIS AND POLOFF STEMPEL MET WITH THREE LEADING BAZAARIS IN HOME OF AN INTERMEDIARY. BAZAARIS WERE HAJ KARIM HOSSEINI, WHO WAS DESCRIBED AS CLOSE SUPPORTER OF AYATOLLAH SHARIAT-MADARI AND AYATOLLAH KHONSARI, HAJ MOHAMMED TAGHIE ETTEFAH, DESCRIBED AS CLOSE SUPPORTER OF AYATOLLAH KHOMEINI, AND HAJ ALI AGHA AZHTARI. BAZAARIS LED OFF WITH PASSIONATE REHEARSAL OF SHAH'S SINS OVER PAST 5-6 YEARS AND THAT OF PEOPLE WHO HAVE SURROUNDED HIM SUCH AS SAVAK'S NASSIRI. ALMOST EVERY FAMILY HAS SOMEONE WHO HAS BEEN KILLED OR GONE TO PRISON.

2. THEY DETAILED SPECIFIC CASES OF POLITICAL PRISONERS SUCH AS FARHAD MENUKADE AND HIS BROTHER WHO WERE ARRESTED ONE FOR POSSESSION OF RELIGIOUS BOOK BY AYATOLLAH KHOMEINI AND HAVE BEEN IN QSAR PRISON FOR FOUR YEARS. THEIR AGED MOTHER WAS TOLD THEY WOULD BE RELEASED ON SHAH'S BIRTHDAY, AND SHE WENT TO THE PRISON BUT THEY WERE NOT RELEASED. THERE ARE OTHER EXAMPLES OF SOME 3 to 4 THOUSAND POLITICAL PRISONERS THEY BELIEVE ARE STILL BEING KEPT

IN JAIL. ONLY BETTER KNOWN CASES HAVE BEEN RELEASED. VISITORS TO THESE PRISONS ARE BADLY TREATED BY OFFICIALS.

3. IN THE OLD DAYS (50s and 60s) UNDER AYATOLLAH BORUJERDI, RELIGIOUS PEOPLE GOT DUE CONSIDERATION FROM THE SHAH AND THE PEOPLE AROUND HIM. SIMILARLY, BAZAARIS WERE REPRESENTED BEFORE THE GOVT BY AN ORGANIZATION WITH SPOKESMAN. BUT ALL OF THIS HAS CHANGED. THE GOVT HAS BURNED MOSQUES, [redacted] THEY HAVE IMPOSED CONTROLS ON THE BAZAAR -- BREAKING THE NETWORK WHICH ASSURED THEM DUE REPRESENTATION IN THE GOVT.

4. BAZAARIS SAID THEIR ESSENTIAL DEMANDS ARE FEW. THEY WANT IMMEDIATE RELEASE OF ALL POLITICAL PRISONERS -- WHY WAIT UNTIL ASHURA DEC 11 WHEN GOVT HAS SAID IT WILL RELEASE THEM? THEY ALSO WANT EXEMPLARY PUNISHMENT FOR ABOUT 10 PEOPLE WHO ARE NOTED FOR CORRUPTION AND BAD ACTIONS SUCH AS GENERAL NASSIRI. THIRD, A NEW GOVT SHOULD BE FORMED UNDER SOMEONE ACCEPTABLE TO ALL SIDES OF THE POLITICAL SPECTRUM SUCH AS ALI AMINI. HE SHOULD CHOOSE HIS OWN CABINET, BUT SHOULD BE CONSULTING A COUNCIL OF REPRESENTATIVES FROM VARIOUS INTEREST GROUPS SUCH AS THE BAZAAR, THE UNIVERSITIES, ETC. THEY ASSERTED REPRESENTATIVES TO THIS COUNCIL COULD BE SELECTED OR ELECTED WITHIN 48 HOURS. IF COUNCIL MEMBERS WERE ASSURED THAT THE GOVT WAS WORKING IN FAVOR OF THE PEOPLE,

THE COUNCIL WOULD TELL THE DEMONSTRATORS TO BE QUIET. THE FEW DEMONSTRATORS WHO WOULD NOT LISTEN WOULD IN TIME BE ISOLATED AND THEIR ACTIVITIES WOULD PETER OUT.

5. BAZAARIS SAID THEY ARE WORRIED ABOUT TUDEH (COMMUNIST) PARTY. ITS MEMBERS HAVE ALREADY TAKEN OVER THE TELEVISION, KAYHAN NEWSPAPER AND OTHER SUCH STRATEGIC ORGANS. ITS PEOPLE, AND "OTHERS" (I.E. PRO-GOVT FORCES) HAVE BEEN RESPONSIBLE FOR THE VIOLENCE THAT ACCOMPANIES DEMONSTRATIONS SUCH AS SETTING FIRES, HURTING PEOPLE, ETC. RELIGIOUS PEOPLE ARE NOT INVOLVED IN THESE ACTS.

6. THE BAZAARIS ARE TIRED OF CURRENT UNREST. THEY ARE RUNNING LOW ON MONEY. ONE OF THEM SAID HIS OUTSTANDING DEBTS ALREADY TOTAL 60 MILLION RIALS (CLOSE TO $1 MILLION). THEY ARE WILLING TO CALM THINGS DOWN IF THEIR IMMEDIATE THREE DEMANDS ARE MET. THEY REALIZE AYATOLLAH KHOMEINI IN PARIS IS HOLDING OUT FOR DEPARTURE OF THE MONARCH, AND INDEED OF THE MONARCHY, IN FAVOR OF AN ISLAMIC REPUBLIC. IF SATISFIED ON THEIR ESSENTIAL DEMANDS, THEY WOULD GO TO PARIS AND PRESS KHOMEINI TO PERMIT A RESOLUTION OF THE SITUATION ALONG THESE LINES, SINCE THEY WILL HAVE GOTTEN 80 PERCENT OF WHAT THEY WANTED.

7. BEYOND THAT, BAZAARIS EXPRESSED OPINION MARTIAL LAW MAKES THINGS WORSE. SAVAK HAS BEEN ORGANIZING PROVOCATIVE ACTS. THEY CITED AS EVIDENCE THE AMOL INCIDENT IN WHICH SECURITY FORCES, CARRYING BOMBS AND ANTI-SHAH

ACCIDENTALLY
LITERATURE, WERE XXXXXXXXX DISCOVERED BY LOCAL MILITIA.
THE SHAH CAN REMAIN, BUT HE SHOULD CUT THE TIES OF
MEMBERS OF THE ROYAL FAMILY TO BUSINESS, IN WHICH THEY
CONTINUE TO HAVE VAST STOCK HOLDINGS. WELL KNOWN PEOPLE
WHO HAVE NOT BEEN INVOLVED IN GOVT OVER PAST 20 YEARS
SHOULD BE BROUGHT INTO NEW GOVT. IN RESPONSE TO A
SPECIFIC QUESTION FROM COHEN, THEY EXPRESSED DISBELIEF
THAT TORTURE HAS CEASED IN IRANIAN PRISONS JUST BECAUSE
SHAH SAID IT WOULD. IT HAS SIMPLY BEEN REDUCED.
COMMENT:
8. /THOUGH PREDATING THE INSTALLATION OF MILITARY GOVT
NOV 6, THIS CONVERSATION WOULD HAVE RELEVANCE IF
COALITION NEGOTIATIONS RESUME AFTER THE MILITARY GOVT
HAS ESTABLISHED ORDER IN THE STREETS -- INSHALLAH.

SULLIVAN

1978 NOV -9 AM

TELEGRAM

INDICATE
COLLECT
CHARGE

10973

FROM	CLASSIFICATION
AMEMBASSY TEHRAN	SECRET

E.O. 11652:
TAGS:
SUBJECT:

ACTION:

DCM-2
REXNI

AMB
BOL

CRU-Duran
5

ACTION: SECSTATE WASHDC IMMEDIATE

INFO: AMEMBASSY LONDON IMMEDIATE

SECRET TEHRAN 10973

EXDIS

E.O. 11652: GDS

TAGS: PINS, IR EXDIS

SUBJECT: IRAN SITUATION

1. BRITISH AMBASSADOR, WHO HAD EXPERIENCED DIFFICULTY OBTAINING CONSISTENT MILITARY PROTECTION FOR HIS EMBASSY, HAD AN AUDIENCE WITH SHAH EVENING NOVEMBER 7. DURING HIS VISIT, HE ENGAGED IN SOME FAIRLY FRANK CONVERSATION, PARTICULARLY ABOUT THE ROYAL FAMILY.

2. APPARENTLY AS A DIRECT RESULT OF THIS CONVERSATION, SHAH ANNOUNCED NOVEMBER 8 AN INVESTIGATION INTO AFFAIRS OF HIS FAMILY AND A REVIEW OF THE PAHLAVI FOUNDATION. THIS SUGGESTS A SENSITIVITY BORDERING ON PANIC IN HIS EFFORT TO PLACATE CRITICS.

3. AT SAME AUDIENCE, HE ASSURED BRITISH AMBASSADOR

DRAFTED BY	OFFICE/DATE	CLEARANCES	RELEASE AND CLASSIFICATION APPROVED BY
AMB:WHSullivan:mam	11/9/78		AMB

SECRET

THAT HOVEYDA WOULD NOT RPT NOT BE ARRESTED. HOWEVER, EVENING NOVEMBER 8, NIRT ANNOUNCED THAT ARREST HAD TAKEN PLACE. WE WILL ATTEMPT VERIFY BY DIRECT CALL TO HOVEYDA LATER TODAY.

/4. IN MY LAST AUDIENCE WITH HIM NOVEMBER 5, HE ASSURED ME THAT NATIONAL FRONT POLITICIANS WOULD NOT BE ARRESTED SINCE HE WANTED TO PRESERVE THEM FOR A COALITION GOVT. RUMORS, WHICH WE ARE ATTEMPTING TO VERIFY, NOW INDICATE THAT SOME OF THEM MAY BE UNDER ARREST. IF THIS IS TRUE, IT WOULD NOT ONLY SUGGEST THAT MILITARY IS OPERATING ON ITS OWN, BUT THAT IT IS PREPARED TO UNDERMINE SHAH'S PLAN FOR NATIONAL GOVT LEADING TO ELECTIONS.

5. I HAVE ASKED FOR MEETING AT 1730 TODAY WITH NEW PRIME MINISTER TO ATTEMPT CLARIFY COURSE OF MILITARY GOVT.

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SECRET

ACTION

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RR RUQMGR
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R 100624Z NOV 78
FM SECSTATE WASHDC
TO RUQMGR/AMEMBASSY ANKARA 6654
[redacted]RSBQR/AMEMBASSY ISLAMABAD 2277
[redacted]MBASSY LONDON 3407
[redacted]EMBASSY TEHRAN 7949

[redacted] STATE 286213

E.O. 11652: GDS

TAGS: PINS, PINT, IR, US

SUBJECT: USG VIEW OF SITUATION IN IRAN

REF: STATE 264684

1. TURKISH EMBASSY COUNSELOR GUVENDIREN CALLED ON NEA DEPUTY ASSISTANT SECRETARY CRAWFORD NOVEMBER 8 FOR REVIEW OF IRANIAN SITUATION.

2. CRAWFORD SAID THAT IN LIGHT OF THE DETERIORATING SITUATION IN IRAN WE WANT TO STAY PARTICULARLY CLOSE TO OUR ALLIES ON ITS BORDERS. TO THIS PURPOSE, A MESSAGE HAD BEEN SENT TO ANKARA PREVIOUS EVENING FOR [illegible] AT HIGH LEVEL. CRAWFORD READ TO GUVENDIREN FROM [illegible]. GUVENDIREN SEEMED GRATIFIED TO LEARN OF THIS MESSAGE AND SAID TURKEY, TOO, DESIRED CLOSEST CONSULTATION WITH U.S.

3. GUVENDIREN HAD SOME SPECIFIC QUESTIONS OF WHICH THE WEIGHTIEST WAS WHETHER, IF SHAH STARTED TO SLIP DESPITE HIS RECOURSE TO MILITARY GOVERNMENT, USG WOULD INTERVENE IF REQUESTED UNDER THE TERMS OF USG'S 1959 LETTERS TO CENTO MEMBERS. GUVENDIREN'S IMPLICATION WAS THAT TURKEY WOULD BE MEASURING U.S. RESOLVE IN TERMS OF ITS OWN RELATIONSHIP WITH USG. (INDEED, GUVENDIREN LATER IN CONVERSATION EXPRESSED GRAVE CONCERN ABOUT ECEVIT'S ABILITY TO MAINTAIN LAW AND ORDER IN TURKEY IN THE FACE OF WHAT HE DESCRIBED AS MOUNTING COMMUNIST-INSPIRED AGITATION.) CRAWFORD SAID U.S. POSTURE IN THE HYPOTHETICAL SITUATION POSED BY GUVENDIREN WOULD OBVIOUSLY HAVE TO INCLUDE A CALCULATION AS TO WHETHER, USING THE TERMS OF THE 1959 LETTER, A DETERMINATION WAS MADE THAT IRAN HAD BEEN OVERTAKEN BY COMMUNIST SUBVERSION. PRESENT READING IS

SECRET

THAT COMMUNIST SUBVERSION IS NOT THE CAUSE OF THE PROBLEMS
[illegible]RTTING THE SHAH. VANCE
BT
#[illegible]13

S E C R E T

CONSULATE
OF THE
UNITED STATES OF AMERICA
Isfahan, Iran 11/12/78

CONFIDENTIAL
MEMORANDUM OF CONVERSATION

Participants: Dr. Farhang Jahanpour, University of Isfahan
Mr. Kazem Kazarouni, Landowner, farmer, Isfahan
David C. McGaffey, Consul, Isfahan
Date & Place: 11/8/78; Consul's Residence
Subject: Student and landowner reactions to the Military Gov't.

These two men, known to be outspoken, were invited to meet INR/RNA George Griffin, who did not appear because of transport problems. This led to general discussion of the new government's chances of returning the economy of Iran to normal. Both, however, stated that they had been having numerous discussions with others and reached unhappy conclusions about the viability of this government.

Dr. Jahanpour, who is himself leaving the University under pressure due to accusations of Baha'i connections, says that due to this pressure, he has gotten much sympathy from students. He states there is a growing possibility of violent confrontation on campus between Marxists and Islamic radical groups, each of whom has their own bookstore, and holds seperate rallies. However, the military governme is pulling them together in opposition, and recent meetings between leaders of the two groups have at least defused the spirit of confron He states that the students are sharing instructions on bomb-making, sabotage, and urban guerilla warfare (He was asked to translate one pamphlet in English, and declined). They are bitterly opposed to mili rule, but have no intention of an open opposition, which they know would be crushed. Instead, they are planning to go underground, and to fight the government by covert sabotage and targeted attacks. Dr. Jahanpour has little confidence in the ability of those talking the most to accomplish anything, but states that this is a prevailing moo on the University campus, and that there are others, who don't talk, who might take this action. Further, he believes that the students have sufficient knowledge of explosives and of key points in the system (water, power, transport, oil pipelines) from parents and oth contacts to be effective if they do follow this course. He is glad he is leaving.

Mr. Kazarouni says that his friends and relatives are not opposed to the new government (in fact, many would have wished to see it earlier) but have no confidence in its ability to survive at this point. They have "bought" many registry officials, and are busy subdividing their lands through false purchases, for two purposes. First, they are using land sales as a device for sending money abroad (he did not explain how this was achieved) and have success-

fully transferred sufficient of their funds to Europe to be able to move quickly if necessary. Second, they expect to be exploited by the new government, as wealthy landowners, either through a program to "return" land to the religious as a sop, or through an expropriative tax system aimed at them to substitute for failing revenues from other sources. Thus, they are, on paper, becoming smallholders, and planning for a departure from Iran. Few have actually left, and if the government appears to be maintaining control, they will hang on, but there is little optomism expressed.

DIST. Emb Tehran: Amb/DCM
POL
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AmConsul Shiraz
AmConsul Tabriz
Dep't of State: NEA/IRN
INR/RNA

CONSULATE
OF THE
UNITED STATES OF AMERICA
Isfahan, Iran

11/16/78

CONFIDENTIAL
MEMORANDUM OF CONVERSATION

Participants: BGen. Mostafa Mostafai, Chief of Police, Isfahan
BGen. Abolfazl Taghavi, Chief of SAVAK, Isfahan

Col. FNU Darabi, Chief-of-Staff, Martial Law Admin., Isf.

David C. McGaffey, Consul Isfahan
Date & Place: 11/15/78: Gen. Mostafai's residence; Col. Darabi's offic
Subject: Threat to Americans from "underground" dissidents

Gen. Mostafai has been seriously ill, and I visited his home with flowers to wish him well, and found Gen. Taghavi there. During the conversation, Gen. Taghavi asked me about the extent and success of my program to expose all USC employees here to a briefing on personal security. I informed him that it had been partially successful, and would continue. Gen. Mostafai, who has been out of touch, asked him wh he was particularly concerned now. Gen. Taghavi looked embarassed, then said he was saying this unoficially, between friends, and would not want it repeated to Martial Law authorities. Both Mostafai and I assured him it would remain confidential. Gen. Taghavi then said that the success of Martial Law in minimizing public demonstrations may be driving individuals and small groups underground. After a long lecture on the "communist menace", especially involving the known terrorist groups, he admitted he had no evidence to show links between those groups and the people he was concerned with now, but he feared their tactics would be similar, and that they would quickly combine forces, sharing expertise, weapons, and training. He explained that, deprived of the release of public demonstrations, some extremists had been heard talking of assasination. He complained of his inability to get the Governor-General, Mr. Haghdan, to take precautions, and stated tha he and other senior officials were taking extra security precautions. (This explained his previous calls to me about my security). He was now somewhat fearful that the extremists, not finding Iranian targets, could target Americans, who, he complained, still ignore routine precautions. He has nothing to indicate any threat, except his own fears, and his collegues on the Isfahan Security Committee disagree with his threat assessment, but his fears remain. I promised I would do what I could, without revealing him as a source, to remind Americans of the necessity of personal security precautions, but shared with him some pessimism about the effectiveness of my warnings.

Note: Gen. Taghavi has never before shared his thoughts with me, holding himself to a discussion of firmly established facts. In

[redacted]e instance, his statements were drawn from him by Gen. Mostafai, [redacted]ile I ignored hints to leave. As Gen. Mostafai is soon to resume [redacted]rk, and his place on the Security Committee, Gen. Taghavi clearly [redacted]lt that the need to persuade Mostafai overrode the need for reti-[redacted]ce in front of me.

[redacted]lso note: I have passed warnings discreetly to numerous U.S. [redacted]mpany officials, and will be observing if they have any effect.

[redacted]

That same afternoon, I met with Col. Darabi. I asked him for a [redacted]hreat assessment for Americans in Isfahan. He stated that he knew [redacted]f no increase in threat, but asked me to be sure Americans were [redacted]eping a low profile, and asked that any suspicious incidents be [redacted]layed to him at once. This is not different from what he has said [redacted]fore, but he seemed somewhat more emphatic.

[redacted]ST: Embassy Tehran: AMB/DCM
POL
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AmConsulate Tabriz
Dept. of State: NEA/IRN
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TO AMEMBASSY TEHRAN IMMEDIATE 8029
BT
C O N F I D E N T I A L STATE 289280

ACTION: POL-3
INFO: AMB DCM ECON-2 PM ADM OR ICA CRU-2 S/GMH

LIMDIS

E.O. 11652: GDS

TAGS: PGOV, IR

SUBJECT: MILITARY GOVERNMENT

1. WE WOULD APPRECIATE BY END OF THIS WEEK EMBASSY'S PRELIMINARY ASSESSMENT OF PERFORMANCE AND PROSPECTS OF MILITARY GOVERNMENT. WE WOULD LIKE EMBASSY'S VIEWS ON FOLLOWING ASPECTS:

(A) LAW AND ORDER. ALTHOUGH REPORTING CABLES INDICATE THAT SECURITY CONDITIONS IN TEHRAN HAVE SUBSTANTIALLY IMPROVED, LEVEL OF VIOLENCE OUTSIDE THE CAPITAL SEEMS ROUGHLY EQUAL TO THAT PRIOR TO APPOINTMENT OF MILITARY GOVERNMENT. HOW DOES EMBASSY ASSESS ABILITY OF TROOPS TO CONTINUE TO MAINTAIN CONTROL IN TEHRAN? WHAT IS EXPLANATION FOR INABILITY OF SECURITY FORCES TO CONTAIN UNREST IN PROVINCIAL CENTERS? DOES GOT LACK SUFFICIENT NUMBER OF RELIABLE TROOPS FOR DEPLOYMENT IN SMALLER CITIES, E.G. KERMANSHAH AND CASPIAN TOWNS, OR ARE TROOPS INEFFECTIVE IN COPING WITH PROBLEMS? IS MILITARY MOVING IN STAGES TO PACIFY TEHRAN FIRST AND OTHER CENTERS LATER?

(B) STRIKES. HOW DOES EMBASSY EVALUATE PERFORMANCE OF MILITARY OFFICIALS IN PERSUADING WORKERS TO RETURN TO THEIR JOBS. WE WOULD APPRECIATE A BRIEF SURVEY OF GOVERNMENT'S SUCCESSES AND FAILURES WHERE AUTHORITIES HAVE APPLIED THEMSELVES IN A SERIOUS EFFORT TO END STRIKES. ARE SOME SECTORS BEING IGNORED WHILE GOVERNMENT CONCENTRATES ON OIL, IRAN AIR, AND OTHER KEY AGENCIES OR INDUSTRIES?

(C) CIVIL SERVICE. WE HAVE NOTED APPARENT RELUCTANCE OF QUALIFIED IRANIANS OF HIGH REPUTE TO SUPPORT MILITARY GOVERNMENT BY TAKING MINISTERIAL POSITIONS. MEHRAN APPEARS A [redacted] APPOINTEES. [redacted] ACCURATE? WHAT INDI-

CATIONS DOES EMBASSY HAVE OF WILLINGNESS OF KEY CIVIL SERVANTS TO COOPERATE WITH MILITARY MINISTERS? HAS FUNCTIONING OF MINISTRIES IMPROVED?

(D) PUBLIC PERCEPTIONS. WHAT HAS BEEN REACTION OF INDEPENDENT-MINDED PERSONS OF INFLUENCE TO INSTALLATION OF A MILITARY GOVERNMENT? IN TERMS OF MODERATE OPPOSITION REACTION, DOES EMBASSY BELIEVE THAT MILITARY REGIME WILL FACILITATE OR MAKE MORE DIFFICULT EVENTUAL FORMATION OF A CIVILIAN GOVERNMENT WITH BROAD POPULAR APPEAL?

(E) IMPLICATIONS FOR THE U.S. HOW HAS INSTALLATION OF A MILITARY GOVERNMENT AFFECTED THE U.S. POSITION IN IRAN?

2. ISRAELIS HAVE QUESTIONED WHETHER SHAH IS GIVING DIRECTIONS TO MILITARY GOVERNMENT OR WHETHER CONTRARY IS TRUE, I.E. MILITARY AUTHORITIES ARE CALLING THE TUNE AND THE SHAH IS OBLIGED TO GO ALONG. WHAT IS EMBASSY'S READING OF DEGREE OF INDEPENDENT AUTHORITY AVAILABLE TO AND EXERCISED BY MILITARY LEADERSHIP?

3. WHAT IS EMBASSY'S EXPECTATION WITH REGARD TO TENURE OF MILITARY GOVERNMENT? IS IT PROBABLE THAT MILITARY WILL REMAIN IN CONTROL THROUGH MONTH OF MOHARRAM? IS THE SHAH CONTINUING CONTACTS WITH CIVILIAN POLITICAL LEADERS WITH A VIEW TO EVENTUAL FORMATION OF A COALITION GOVERNMENT OR HAS HE SUSPENDED SUCH DISCUSSIONS FOR THE TIME BEING? WHAT IS ATTITUDE OF SENIOR MILITARY OFFICERS TOWARDS ELECTIONS, INCLUDING POSSIBILITY OF ELECTIONS EARLY NEXT YEAR? VANCE
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CONFIDENTIAL LIMDIS

TELEGRAM

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	FROM	CLASSIFICATION
	AMEMBASSY TEHRAN	CONFIDENTIAL

E.O. 11652:
TAGS:
SUBJECT:

ACTION:

POL:-2

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OR-2
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ACTION: SECSTATE WASHDC IMMEDIATE

INFO: CONGEN DHAHRAN
USINT BAGHDAD
AMEMBASSY ABU DHABI
AMEMBASSY ANKARA
AMEMBASSY BONN
AMEMBASSY DOHA
AMEMBASSY ISLAMABAD
AMEMBASSY JIDDA
AMEMBASSY KABUL
AMEMBASSY KHARTOUN
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY MANAMA, MOSCOW
AMEMBASSY MUSCAT
AMEMBASSY NEW DELHI
AMEMBASSY PARIS, USLO PEKING
USCINCEUR VAIHINGEN GE
USCINCPAC

CONFIDENTIAL TEHRAN 11420

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E.O. 11652: GDS
TAGS: PGOV, IR
SUBJ: EVALUATION OF MILITARY GOVERNMENT
REF: STATE 289280 (NOTAL)

SUMMARY: AFTER LITTLE MORE THAN TWO WEEKS ON THE JOB, THE AZHARI GOVT HAS RESTORED A SURPRISING DEGREE OF SECURITY IN TEHRAN AND KEY IRANIAN CITIES ALTHOUGH MUCH REMAINS TO BE DONE BEFORE LAW AND ORDER CAN BE SAID TO BE

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POL:GBLambrakis	11/20/78	1110	MIN:CWNaas

CLEARANCES:
OR:HFeldman (draft)
ECON:CTaylor/RBash (draft)
(contributors)
DAO:Col SCHAEFER

CONFIDENTIAL
CLASSIFICATION

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RESTORED COMPLETELY. GOVT HAS ACHIEVED A MEASURE OF SUCCESS IN GETTING KEY STRIKERS BACK TO WORK, THOUGH THAT TASK IS NOT COMPLETE AND MANY SERIOUS WEAKNESSES REMAIN IN THE GOVT SECTOR, PARTICULARLY IN THE KEY ECONOMIC MINISTRIES. IT HAS JUST BEGUN TO TACKLE THE PROBLEM OF REOPENING SCHOOLS, AND DONE NOTHING TO REOPEN UNIVERSITIES. IT IS NOT PERTURBED BY -- PROBABLY WELCOMES -- CONTINUING PRESS STRIKES WHICH HAVE REMOVED ALL IMPORTANT NEWSPAPERS FROM THE NEWSTANDS, THUS FACILITATING GOI CENSORSHIP. IT HAS FIELDED A STRONG TEAM -- 18 CIVILIANS AND 6 MILITARY -- WHO ARE FOR THE MOST PART TECHNICALLY COMPETENT AND GENERALLY DO NOT BEAR STIGMA OF ASSOCIATION WITH SHAH'S PERSONAL REGIME OF PAST 15 YEARS. WE EXPECT GOVT TO STAY IN POWER AT LEAST THROUGH MOHARRAM (DECEMBER) WHEN THE CRITICAL TEST OF STRENGTH WITH THE OPPOSITION IS EXPECTED. ASSUMING WE WEATHERS [redacted] THAT TEST, THE SHAH [redacted] INTENDS TO INTENSIFY HIS SEARCH FOR A SUCCESSOR CIVILIAN GOVT, PERHAPS OF A COALITION NATURE WITH ELEMENTS OF THE OPPOSITION. SUCH A GOVT WOULD PRESUMABLY SEEK TO LIFT MARTIAL LAW ONCE THE LEVEL OF VIOLENCE SUBSIDED (PERHAPS NOT UNTIL AFTER THE RELIGIOUS MONTH OF SAFAR -- JANUARY -- OR LATER), AND ~~RECENTLY~~ MOVE TO ELECTIONS. [redacted]

[redacted]

[redacted]

END SUMMARY

1. AFTER A LITTLE MORE THAN TWO WEEKS OF MILITARY GOVERNMENT, AND WITH ITS SUBMISSION TO PARLIAMENT FOR APPROVAL, THIS SEEMS A GOOD TIME FOR PRELIMINARY ESTIMATE IN RESPONSE TO DEPT'S REQUEST, REFTEL. OUR COMMENTS ARE PEGGED MAINLY TO QUESTIONS ASKED BY REFTEL, AND USUAL CAVEATS ON FAST-CHANGING SITUATION CONTINUE TO APPLY.

2. LAW AND ORDER. SINCE INSTALLATION OF AZHARI GOVT SECURITY CONDITIONS HAVE GENERALLY IMPROVED BOTH IN TEHRAN AND IN THE PROVINCES. IT SHOULD BE RECALLED THAT VIOLENCE IN PROVINCES HAD REACHED LEVEL OF 42 OR MORE CITIES ON A SINGLE DAY JUST PRIOR TO NOV 5. IT HAS NOW BEEN REDUCED TO ONLY A HANDFUL OF PROVINCIAL CITIES ON ANY GIVEN DAY. THIS IS A RELATIVE IMPROVEMENT. ALL

INDICATIONS ARE TROOPS CONTINUE TO OPERATE UNDER INSTRUCTIONS NOT TO GET TOO TOUGH, AND IN PARTICULAR TO MINIMIZE SHOOTING AT DEMONSTRATORS. THIS ATTITUDE IS AFFECTED BY FACT THAT IN TEHRAN AND SOME OTHER LARGE CITIES WOMEN AND CHILDREN HAVE BEEN IN FOREFRONT OF DEMONSTRATING CROWDS, AND THERE IS RELUCTANCE ON THE PART OF THE GOVT AND THE AUTHORITIES TO CAUSE TOO MANY CASUALTIES AMONG THEM. CASUALTIES APPEAR TO BE HIGHER IN PROVINCIAL SITUATIONS WHERE NUMBERS OF TROOPS ARE LIMITED AND RIOT CONTROL EQUIPMENT LACKING. POLICE AND TROOPS ARE LIKELY TO RESORT TO SHOOTING SOONER IN THOSE SITUATIONS TO AVOID BEING OVERWHELMED BY THE DEMONSTRATORS. WE BELIEVE DEPT IS CORRECT IN SUGGESTING TROOPS ARE SPREAD THINLY, BUT WE DO NOT HAVE SUFFICIENT INFORMATION ON WHICH TO DRAW DEFINITIVE CONCLUSIONS AS TO WHY THIS IS SO. THERE HAVE BEEN NO CONFIRMED CASES OF UNRELIABILITY AMONG TROOPS BEYOND SOME EXAMPLES OF A FEW SOLDIERS WHO HAVE APPARENTLY ACTED AS INDEPENDENT SNIPERS AGAINST THE AUTHORITIES. IT THEREFORE SEEMS PROBABLE THAT SHORTAGE OF TROOPS IN CERTAIN SITUATIONS IS RESULT OF LOGISTICAL DIFFICULTIES AS WELL AS, PERHAPS, GOI DESIRE THAT OFFICERS WHO UNDERSTAND CROWD CONTROL PROBLEM BE IN CHARGE OF TROOPS IN ALL CASES. WE NOTE MILITARY CONTINUE THEIR NORMAL PRESENCE ON IRAN'S BORDERS AND THE TRIBAL AREAS. TEHRAN HAS PRIORITY OF COURSE SINCE BOTH AUTH-

ORITIES AND DEMONSTRATORS REALIZE THIS IS WHERE SECURITY SITUATION HAS MOST EFFECT ON CENTRAL GOVERNMENT AND FOREIGN OBSERVERS.

3. STRIKES. GOI SEEMS TO REALIZE THAT GETTING STRIKERS BACK TO WORK IS A GRADUAL PROCESS IN WHICH STICK AND CARROT ARE BOTH NEEDED. OF MAJOR STRIKES EXISTING WHEN IT TOOK OVER, GOI HAS PRETTY WELL SOLVED IRAN AIR WALK-OUT AND MANY OF THE STRIKES AMONG CIVIL SERVANTS (THE CUSTOMS SERVICE AND TAX ADMINISTRATION BEING EXCEPTIONS). WHILE SITUATION IN OIL SECTOR IS SHOWING ENCOURAGING PROGRESS, SIGNIFICANT NUMBERS OF HARD CORE STRIKERS (PERHAPS 15 PERCENT) STILL HAVE NOT RETURNED TO WORK, AND WE RECEIVE CONTINUING REPORTS THAT OTHERS HAVE OFFICIALLY ENDED THEIR STRIKE BUT ARE NOT WORKING VERY HARD. MOREOVER. THE HARD CORE ARE STILL TRYING TO INTIMIDATE THEIR WORKING COLLEAGUES, AND THERE COULD BE SOME SLIPPAGE. [illegible] THE SHAH HAS TOLD THE AMBASSADOR HE IS NOT PRESSING OIL WORKERS TOO HARD, SO AS NOT TO EXACERBATE TENSIONS OR INTERFERE WITH RETURNING DEGREE OF NORMALCY BEFORE MONTH OF MOHARRAM, TWO WEEKS HENCE. WITH PRODUCTION RISING. WE JUDGE GOI PERFORMANCE IN OIL STRIKE NOT TOO BAD.

4. CIVIL SERVANTS. MILITARY GOVT HAS BEEN CONCEIVED FROM FIRST AS A TEMPORARY EXPEDIENT. ITS SINGLE PURPOSE

IS TO RESTORE LAW AND ORDER AND A DEGREE OF NORMALCY, AFTER WHICH IT WILL TURN GOVT BACK TO COALITION OF CIVILIANS -- IF SHAH IS [redacted] ABLE TO FORM SUCH A GOVT. UNDER THE CIRCUMSTANCES, IT WOULD NOT BE REALISTIC TO EXPECT TOP IRANIAN POLITICIANS TO ENTER MILITARY GOVT. IN FACT, AZHARI HAS NOT PARTICULARLY SOUGHT SUCH PEOPLE. HE HAS TAKEN A NUMBER OF SHARIF-EMAMI'S APPOINTEES AND ADDED TOP CIVIL SERVANTS WITH TECHNICAL QUALIFICATIONS IN THEIR PARTICULAR MINISTRIES. MANY OF THEM ARE OF HIGH REPUTE IN THEIR FIELDS, EVEN THOUGH NOT IN THE GOVERNMENTAL SPOTLIGHT IN RECENT YEARS (A FACTOR IN THEIR FAVOR). FOR EXAMPLE, MINISTER OF JUSTICE NAJAFI, FORMER PUBLIC PROSECUTOR OF TEHRAN, IS REGARDED AS STRONG APPOINTMENT OF EXCELLENT REPUTE IN A [redacted] JOB WHERE [redacted] REPUTATION STANDS HIM IN GOOD STEAD. FOR HONESTY AND EFFICIENCY [redacted] THE ECONOMIC TEAM SHIFTED A LITTLE, PRIMARILY DUE TO THE DEPARTURE OF YEGANEH FROM THE MINISTRY OF ECONOMY AND FINANCE (HE HAD HEALTH PROBLEMS IN ANY CASE). THUS, MEHRAN TOOK OVER YEGANEH'S PORTFOLIO AND, WITH EXPERIENCE AS ANSARY'S SENIOR DEPUTY IN MEAF, CENTRAL BANK GOVERNOR, NUMBER TWO AT NIOC AND MOST RECENTLY PLAN AND BUDGET MINISTER, BRINGS ALSO CONSIDERABLE CONTINUITY IN ECONOMIC POLICY. PLAN AND BUDGET MINISTER SALEHI IS ANOTHER YOUNG, DYNAMIC AND BRIGHT TECHNICIAN PRESERVED IN THE CABINET. COMMERCE MINISTER MEMARZADEH, WITH EXPERIENCE AS UNDER-

SECRETARY OF MEAF AND TWO YEARS AS DEPUTY CBI GOVERNOR, IS REPORTEDLY A HARD WORKING, DYNAMIC TECHNICIAN. THESE THREE ECONOMIC PORTFOLIOS, ALONG WITH THE CONTINUITY OF WELL-REGARDED REZA AMIN AT INDUSTRY AND MINES, COMPRISE A SURPRISINGLY STRONG COMMITMENT BY ABLE TECHNICIANS TO A "TEMPORARY" GOVERNMENT. AS IMPORTANT IS THE STAYING FACTOR OF THE SECOND LEVEL IN MOST MINISTRIES, ESPECIALLY IN THE ECONOMIC AREA.

5. NEVERTHELESS, WITH MANY MINISTRIES OPERATING AT HALF SPEED, IF AT ALL, IT IS HARD TO SAY THEIR FUNCTIONING HAS IMPROVED. THIS IS AN AREA WHERE A GREAT DEAL MORE CAN BE DONE. THE GOVERNMENT"S PRIMARY FOCUS ON RESTORING ORDER IN THE STREETS, GETTING STRIKERS IN KEY INDUSTRIES BACK TO WORK, AND REOPENING THE SCHOOLS APPEARS TO HAVE RELEGATED OTHER IMPORTANT ASPECTS OF ECONOMIC LIFE TO SECOND PLACE. WHILE GOVERNMENT WORKERS HAVE BEEN PAID AND VALIANT EFFORTS ARE UNDERWAY TO GET BANKS BACK INTO OPERATION AND MINISTRIES WORKING MORE NORMALLY, DEFINITE WEAK POINTS CONTINUE IN AREAS SUCH AS INFORMATION, TELE-COMMUNICATIONS, EDUCATION, BUDGET, CUSTOMS, AND FINANCE.

6. PUBLIC PERCEPTIONS. MILITARY GOVERNMENT IS NOT A POPULAR INSTITUTION IN IRAN AND FEW PEOPLE ARE PREPARED TO DEFEND IT AS A REMEDY FOR IRAN'S ILLS -- INCLUDING THE SHAH HIMSELF. THERE ARE MANY, HOWEVER, WHO WELCOMED ITS INSTALLATION AT A TIME WHEN IT LOOKED LIKE THE ONLY

ALTERNATIVE WAS LAWLESSNESS AND CHAOS. PEOPLE BELIEVE OR DISBELIEVE THE SHAH'S ASSERTIONS THAT THIS IS ONLY A TEMPORARY EXPEDIENT, DEPENDING ON WHERE THEIR POLITICAL SYMPATHIES LIE. AS OUR PROJECTION OF PROBLEMS MILITARY GOVT WOULD BRING INDICATED (TEHRAN 10706) THERE IS A PRICE TO BE PAID WHICH WILL INCREASE THE LONGER THIS MILITARY GOVT REMAINS IN POWER. THIS IS TRUE EVEN THOUGH THREE QUARTERS OF THE MINISTERS ARE CIVILIANS. THERE IS LITTLE DOUBT THAT THE GOVT IS CARRYING OUT A HOLDING OPERATION WITH A VIEW TO A REAL SHOWDOWN DURING THE MONTH OF MOHARRAM. THE SHAH HAS MADE IT CLEAR TO THE AMBASSADOR THAT THE AZHARI GOVT REFERS ALMOST ALL ISSUES FOR DECISION TO HIM. AS LONG AS THE SHAH MAINTAINS THE INTENTION OF MOVING TO A COALITION GOVT AND FREE ELECTIONS, THE MILITARY GOVT SHOULD NOT IMPEDE AN EVENTUAL POLITICAL SOLUTION.

7. IT IS TRUE THAT THE OPPOSITION RESENTS THE PRESENT GOVT, AND SERIOUS BLOODSHED DURING THE MONTH OF MOHARRAM MIGHT FURTHER REDUCE THE OPPOSITION'S READINESS TO ENTER A COALITION. [redacted] HOWEVER, THINGS HAD COME TO A CROSSROADS ON NOV 5 WHICH REQUIRED MEASURES TO RESTORE LAW AND ORDER, OR [redacted] SUBMISSION TO THE DEMANDS OF [redacted] WHICH. THE OPPOSITION LED BY AYATOLLAH KHOMEINI, HAS BEEN MOVING FROM VICTORY TO VICTORY AND WHICH STILL EXPECTS TO TOPPLE THE SHAH DURING MOHARRAM. IF THE MILITARY ARE ABLE TO BLUNT THAT EXPECTATION OF VICTORY

THIS WOULD PROBABLY CONTRIBUTE TO AN EVENTUAL WILLINGNESS BY THE OPPOSITION TO SETTLE FOR SOMETHING LESS. IF THE INEVITABILITY OF KHOMEINI'S VICTORY BEGINS TO RECEDE IN PEOPLES' MINDS AND THE BANDWAGON EFFECT IS REVERSED, A NEW GOVT COULD POSSIBLY BE INSTALLED AND BENEFIT BY A CONTRAST IN ITS OWN IDENTITY FROM THAT OF THE MILITARY. THIS GOVT WOULD HAVE TO BE COMPOSED ENTIRELY OF PEOPLE WHO HAVE NOT BEEN ASSOCIATED WITH THE SHAH'S GOVT OVER THE PAST 15 or 20 YEARS. IT MIGHT OR MIGHT NOT INCLUDE PROMINENT MEMBERS OF THE NATIONAL FRONT OPPOSITION. IT WOULD HAVE TO OPERATE WITH AT LEAST BENEVOLENT NEUTRALITY FROM THE SHIA ESTABLISHMENT WITHIN IRAN (KHOMEINI ASIDE).

[redacted]

IMPLICATIONS FOR THE U.S. [redacted] IT IS CLEAR THAT THE OPPOSITION AND THE GOVT PERCEIVE US AS A VERY IMPORTANT FACTOR IN THE DOMESTIC STRUGGLE GOING ON HERE. KHOMEINI IS MAKING THREATS AGAINST US IN IRAN IN PARIS AND HIS COHORTS [redacted] KEEP UP A DRUMBEAT OF THREATS AND HARASSMENT OF THE AMERICAN COMMUNITY. ON THE OTHER HAND, MODERATE OPPOSITION LEADERS HERE TELL US HOW MUCH THEY LIKE US AND NEED US IN THE LONG RUN. MANY OPPOSITIONISTS BELIEVE THE SHAH WOULD COLLAPSE WITHOUT USG SUPPORT. SOME OF THEM SEEK OUR HELP IN FACILITATING AN ORDERLY [redacted] OF POWER FROM THE SHAH TO THEMSELVES. THIS LAST ATTITUDE CAN BE EXPECTED TO CONTINUE AS LONG AS THERE ARE REALISTIC EXPECTATIONS OF A MOVE TO A COALITION GOVT AND ELECTIONS IN THE NEAR FUTURE. IF MILITARY GOVT WERE TO CONTINUE FOR SIX MONTHS OR MORE, HOWEVER, WE WOULD SEE A GOOD POSSIBILITY OF GREATER DESPERATION ON THE PART OF THE OPPOSITION, LEADING TO A NASTIER ATTITUDE TOWARD THE U.S.

10. WE BELIEVE WE HAVE ANSWERED THE QUESTION ASKED BY THE ISRAELIS: THE SHAH IS VERY MUCH IN CHARGE OF HIS MILITARY. WE HAVE ALSO ANSWERED THE QUESTIONS ABOUT THE TENURE OF THE MILITARY GOVT. THE SHAH HAS TOLD THE AMBASSADOR THAT

IN PRINCIPLE (ONCE THE CANDIDATES ARE FOUND) HE HAS AGREED TO FORMATION OF A CONSULTATIVE COUNCIL OF CIVILIAN POLITICAL LEADERS TO MEDIATE WITH THE OPPOSITION AND PRESUMABLY PREPARE THE WAY FOR A NEW CIVILIAN GOVT. IF THE MAJOR TEST OF STRENGTH OCCURS IN MOHARRAM, AS WE EXPECT, AND IF THE GOVERNMENT PREVAILS, IT SEEMS LIKELY THERE WOULD BE ACTIVE EFFORTS TO CREATE A CIVILIAN GOVT SOON THEREAFTER. SHOULD LAW AND ORDER STILL BE A PROBLEM, IT IS POSSIBLE MILITARY GOVT WOULD BE EXTENDED THROUGH THE RELIGIOUS MONTH OF SAFAR, WHICH FOLLOWS MOHARRAM (I.E., JANUARY). AFTER THAT WE WOULD EXPECT THE SHAH (IF HE HAS PREVAILED IN THE DECEMBER TEST OF STRENGTH) TO RELY ON A COMBINATION OF CIVILIAN GOVT AND SOME MARTIAL LAW AUTHORITY, WHICH THAT CIVILIAN GOVT WOULD END AS SOON AS IT GOT IS FEET ON THE GROUND. AS FAR AS WE CAN TELL, THE ATTITUDE OF MILITARY OFFICERS TOWARD ELECTIONS NEXT YEAR IS IRRELEVANT, SINCE THEY DO NOT TAKE IT UPON THEMSELVES TO MAKE SUCH POLITICAL JUDGMENTS. [redacted]

SULLIVAN

DEPARTMENT OF STATE

AIRGRAM

HANDLING	CLASSIFICATION	MESSAGE REFERENCE NO.
	CONFIDENTIAL	A-31

TO: DEPARTMENT OF STATE

INFO: AMCONSULS ISFAHAN AND TABRIZ (VIA INTERNAL POUCH)

FROM: AMCONSUL SHIRAZ

DATE: 11/21/78

O. 11652: GDS
TAGS: PINS, PINT, IR
SUBJECT: OPPOSITION TO THE SHAH

REF:

DEPT. DISTRIBUTION

ACTION			
	ARA	CU	EA
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	OCI	SS	SY
	AID	AIR	ARMY
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	NSA	NSC	OPIC
	TAR	TRSY	USIA

ADDITIONAL DISTRIBUTION:

SUMMARY AND INTRODUCTION: Recent contacts with a variety of individuals in southern Iran have tended to reinforce the impression that the Consulate has had for some time now, i.e., that the Shah has little popular support and that opposition to him may be so profound that nothing short of his depar ture will eliminate it. The Shah's unpopularity among his own people in the face of his remarkable acheivements may perplex foreigners, but at least a partial answer can be found in the nature of the Persian personality which has shaped the Shah's be-havior as much as it has his subjects'. Despite a lowered level of violence following the installa-tion of a military government on November 6, it would not appear that opposition to the Shah will go away. The movement against the regime has its inspiration in highly moralistic principles. Further, nowhere is anti-Shah sentiment greater than among the youth-ful majority of the Iranian population which does not appear amenable to compromise. END SUMMARY AND INTRODUCTION

There are seemingly few Iranians who have a positive com-mitment to the regime and/or the Shah. Those that do are limited almost exclusively to individuals old enough to remember really bad political and economic times and who

CONFIDENTIAL

CLASSIFICATION

DRAFTED BY:	DRAFTING DATE	PHONE NO.	CONTENTS AND CLASSIFICATION APPROVED BY:
PO:VLTomseth;vlt	11/21/78	32023	PO:VLTomseth

CLEARANCES:

AID 1240.1 (10-68)

credit the Shah for having pulled Iran back from the brink of national disaster. Some of these people argue quite eloquently that there is simply no one else around who has the vision and determination necessary to guide the fractious Iranian people away from self-destruction and down the road of modernization and social development. This group appears to have been reinforced in recent weeks by other Iranians who also are generally older but whose past enthusiasm for the Shah was not great. These individuals have reluctantly concluded in the face of protracted civil unrest that the alternative to the Pahlavi dynasty is chaos.

There are, however, many other older Iranians who are determined that the Shah must go. These people range from the religious leaders who view themselves as having been purposely denigrated by the regime and are equally alarmed by its blatant secularism to bazaaris who have often been squeezed by the emergence of a modern market economy and inflationary pressures to members of the modernist intelligentsia long at odds with an undemocratic regime to an odd lot of Iranian little people whose resentments in large measure stem from their points of view having been totally scorned for 15 years. Moreover, Iran has its own version of the generation gap. It would appear that virtually no one under 35 is in favor of the Shah remaining in power or even in Iran. Unlike many of their older countrymen who oppose the regime but might be willing to let the Shah keep his throne, young Iranians seem implacable in their determination to see him go. Given the Iranian demographic profile, this leaves the Shah with only a small portion of the population he can count on to back him in his current crisis and only a slightly larger number of his subjects who might be mollified by concessions he would be prepared to make short of stepping down.

The extent of the Shah's unpopularity among his own people perplexes many non-Iranians. For Westerners in particular his goals often seem both rational and laudatory. His acheivements, too, are impressive by almost anyone's standards--an unprecedented degree of national independence, influence in international councils, land reform, the emancipation of women, a rapidly rising level of literacy. Even his harshest critics will usually concede that during his reign Iran has moved from the ranks of the world's poorest nations to relative material prosperity. His autocratic methods, toleration of police state brutality, and imperial airs are relatively easy for many foreigners to ignore in such circumstances. Why, then, have his own subjects turned against him in such large

numbers?

The answer cannot be divorced from the Iranian personality. History, Iran's physical geography and a variety of other factors have fostered the tendency among Persians to look inward. The result has been development of an egoism that pervades Iranian culture and is manifested in a thousand ways from the seeming obliviousness to danger with which a pedestrian steps into traffic to the apparent absolute conviction of every Iranian driver that he is the only person on the road. This quality is not an entirely negative one (the virtuosity of Sufi philosophical thought, for example, is a direct function of Persian introspectiveness), but it does account, at least in part, for the readiness with which so many Persians have turned on their monarch. The sense of self-esteem that is such a dominant feature of the Iranian personality makes it easy, almost compelling, to find fault in others. Despite an elaborate system of formalized courtesies (ta'arof), backbiting is a common feature of social conversation in Iran. There is little psychological or sociological incentive to give credit to another for a particular accomplishment, but perceived weaknesses and presumed mistakes seem to cry out for for negative comment.

A Persian himself, the Shah has often been his own worst enemy in this regard. He has allowed, perhaps welcomed, even encouraged, the development of the myth of his own omniscience and omnipotence in directing the affairs of his country. He has, as once remarked an American comedian whose own history of mental illness and delusions of grandeur prompted the comment, been guilty of believing his own stuff. Thereby, he has rendered himself particularly vulnerable to the kind of attacks that have been made upon him in recent months. While national wealth, for example, has unquestionably increased, many of the Shah's critics contend that it has been poorly spent. Why, it is asked, does Iran need F-14s when villagers less than five kilometers from Shiraz's Tadayon Air Force Base (where some of the planes are stationed) still live without running water or electricity? Even Iran's ambitious industrial projects, ostensibly intended to sustain Iran's development momentum, are viewed critically. It is argued (not without basis) that industries such as petrochemicals, steel and copper mining, far from expanding the country's economic horizons, have so far constituted a drain on national resources that might have been put to more profitable use. The Shah, with considerable justice, is held personally accountable for the decisions to go forward with all these

projects which with the advantage of the perfect 20-20 vision of hindsight now appear to have been overly ambitious.

It is highly doubtful that opposition to the Shah will soon disappear. The installation of a military government on November 6 has produced a significantly lowered level of overall violence, but demonstrations, strikes and shop closures have continued. The opposition clearly is attempting to measure the determination of military authorities to enforce martial law and otherwise maintain civil order while at the same time demonstrating its own popular strength and power to disrupt the economy. Undoubtedly, if it were to detect the slightest hesitancy on the part of the government to back up what it says regarding law and order (as was the case before November 6), there would be a prompt return to violent confrontation. Even if the government's resolve remains firm however, the possibility of such confrontation cannot be ruled out. The Islamic month of Moharram which begins December 2 and traditionally is a period of high emotion and religious fervor may bring with it this year an outpouring of anti-regime sentiment that opposition leaders, Ayatollah Khomeini included, will be hard-put to constrain, even if they should be inclined to do so.

The intractability of anti-regime sentiment relates to its extent and the profundity with which it is felt among members of the Iranian population at large. Opposition has assumed a highly moral basis, whether it be in terms of reaction to the secularization of the state and the gross materialism of the nouveau riche or the perception that the Shah, his family and his coterie represent evil incarnate. The righteous outrage of those who are convinced that the Shah's sister is a whore (one placard at a recent anti-regime demonstration depicted Princess Ashraf in an inviting position with the caption, "Gateway to the Great Civilization") is no less than of those who reject him for his perceived disregard of traditional religious tenets. Corruption, too, must be viewed in these terms. Its degree of pervasiveness is less important than its symbolic value in the popular mind for the inherent evil of the Pahlavi dynasty. This issue, along with degeneracy in high places and institutionalized torture has taken on a political reality of its own in recent weeks, a reality which may or may not have anything to do with fact.

Finally, many are extremely suspicious of the Shah's ultimate intentions. They simply do not trust him when he says that what he wants is what his people want. They view with

great cynicism National Front leader Karim Sanjabi's recent arrest, ignoring that his news conference would have violated martial law provisions and citing instead assurances given before the change of governments on November 5-6) that he had nothing to fear if he returned to Iran. The more radical oppositionists are inclined to conclude that they have gone too far in their fight to oust the Shah to turn back now. To do so, they believe, would run the risk of imprisonment, torture and even death. Nowhere is this sentiment more pronounced than among Iranians under 35 who make up the vast majority of anti-regime forces. They simply are not amenable to compromise.

TOMSETH

Tehran, Iran

November 27, 1978

Mr. Alexander Constantine Mejloumian
Undersecretary for Planning
Plan and Budget Organization
Tehran, Iran

Dear Mr. Mejloumian:

I wish to express my deep appreciation for your willingness, on short notice, to receive and provide an overview of Iran's economy to the Senator and three congressmen who accompanied Secretary of the Treasury Blumenthal on his November 20 and 21 visit to Tehran. We apologize that these visitors were unable to keep their appointment with you since, on even shorter notice, they were advised that they could join Secretary Blumenthal's audience with His Imperial Majesty, at a time which conflicted with their appointment with you.

Again, I regret any inconvenience to you and reiterate my gratitude for your cooperation in helping make this visit successful.

Sincerely,

William H. Sullivan
Ambassador

E/C:CDTaylor:nbt

Clearances: E/C:JLMills_____
DCM:CWNaas_____

11617

1978 NOV 27 PM 1:05

TELEGRAM

INDICATE
☐ COLLECT
☐ CHARGE TO

FROM	CLASSIFICATION
AMEMBASSY TEHRAN	CONFIDENTIAL

11652:
TAGS:
SUBJECT:

ACTION: SECSTATE WASHDC IMMEDIATE

CONFIDENTIAL TEHRAN 11617

ACTION: EXDIS

EXDIS

E.O. 11652: GDS

TAGS: PINR, PINS, IR

SUBJECT: POLICY OF IRANIAN GOVT DURING MOHARRAM

1. DURING MEETING WITH SENATOR BYRD MORNING NOVEMBER 27, PRIME MINISTER AZHARI SAID HIS GOVERNMENT'S POLICY TOWARDS RELIGIOUS ACTIVITIES DURING PERIOD OF MOHARRAM WOULD BE SOMEWHAT MORE FLEXIBLE THAN SHAH HAD EARLIER INDICATED TO AMBASSADOR. HE INDICATED THAT MOSQUES AND THEIR CONGREGATIONS WOULD BE PERMITTED TO HOLD PUBLIC OBSERVANCES PROVIDED THAT MULLAHS GAVE ORAL ASSURANCES SUCH ACTIVITIES WOULD NOT RPT NOT BE TURNED INTO POLITICAL DEMONSTRATIONS.

2. PRIME MINISTER SAID HE WOULD ANNOUNCE POLICY OVER NATIONAL RADIO AND TELEVISION SHORTLY BEFORE BEGINNING OF MOHARRAM AND WOULD BE CERTAIN THAT ALL MARTIAL LAW AUTHORITIES UNDERSTOOD IT. HE SEEMED CONFIDENT THAT, BY PLACING RELIGIOUS AUTHORITIES ON THEIR HONOR TO

	CRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED BY:
Sullivan/sam	11/27/78		AMB

OPTIONAL FORM 183
(Formerly FS-413)
January 1975
Dept. of State

MONITOR THE ACTIVITIES OF THEIR CONGREGATIONS, VIOLENT CONFRONTATIONS WOULD BE AVERTED. HE SAID, HOWEVER, THAT SUFFICIENT FORCE WOULD BE AVAILABLE, IN PLACE, TO ENFORCE LAW AND ORDER IF THAT ~~XXXXXXX~~ PROVED NECESSARY.

SULLIVAN

Tehran, Iran
November 29, 1978

The Honorable
T. L. Eliot, Jr.
6601 Virginia View Ct.
Washington, D.C. 20016

Dear Ted:

Thanks for your letter of November 20. I have referred the consular business to Lou Goelz and assume that he can be helpful to your Afghan friend. I gather, however, that all these Afghan displaced persons have to be handled through the INS office in Athens. Therefore, she will probably be referred to Athens in order to get the proper processing to carry her onward.

Speaking of Afghans, we recently saw Ambassador Malikiar and one of his daughters. As you may know, the one who had been married to Daoud's son has arrived in Tehran and will have to undergo additional surgery because she apparently still has at least two bullets lodged in her body. It seems to have been a minor miracle that she survived the machine-gunning which killed all the rest of her family. Unfortunately, Leila is still in Kabul and it is questionable whether she will be permitted to leave in order to join the rest of the family.

I am sure, at this stage, that you are busy in your preparations to move to Medford and take over Fletcher. As I have told you before, I consider Fletcher very fortunate in having you as the new boss. At the same time, I am more than a little dismayed to learn about the casual manner in which the Foreign Service let you go. I am glad that at least Henry had the good sense to share my sense of loss at your departure.

We are currently facing the test of strength which we expect to emerge from Moharram. I personally have confidence in the good sense of the Persian people and don't

believe they will permit Khomeini to egg them on to mass martyrdom. If the government passes that period in relative calm, as I hope, I believe a compromise political solution may begin gradually to emerge.

Marie joins me in all best wishes to you, Pat and the youngsters as you approach the Christmas season. We also send our best to your parents and to Pat's mother out in that equally crazy city of San Francisco.

With all best wishes,

Sincerely,

William H. Sullivan
Ambassador

TELEGRAM

1978 NOV 30 PM 1355

INDICATE
☐ COLLECT
☐ CHARGE TO

11758

FROM	CLASSIFICATION	
AMEMBASSY TEHRAN	CONFIDENTIAL	

ACTION: SECSTATE WASHDC IMMEDIATE

CONFIDENTIAL TEHRAN 11758

LIMDIS

E.O. 11652: GDS

TAGS: PGOV, ~~XXXXX~~ PINT, IR

SUBJECT: POSITION OF MISSION IN POLITICAL DISCUSSIONS

1. FOR THE RECORD, FOLLOWING PARAGRAPHS SUMMARIZE POSITION WHICH ALL ELEMENTS OF THIS MISSION ARE TAKING IN CONTACTS WITH IRANIANS WHO DISCUSS INTERNAL POLITICAL SITUATION. THIS HAS RELEVANCE PARTICULARLY IN OUR MEETINGS WITH MEMBERS OF, OR INTERMEDIARIES FOR, THE POLITICAL ~~P~~OPPOSITION.

2. BEGIN TEXT: WE START FROM OUR CONVICTION THAT SHAH IS SINCERE IN HIS DESIRE TO RETURN THE MONARCHY TO CONSTITUTIONAL PROPORTIONS. BY THIS, WE MEAN THAT HE WOULD, IN EFFECT, "REIGN BUT NOT RULE." HOWEVER, IN ACCORDANCE WITH AMENDMENTS TO THE CONSTITUTION, HE WOULD REMAIN COMMANDER-IN-CHIEF OF IRANIAN ARMED FORCES.

DRAFTING OFFICER	DRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROVED BY:
Sullivan:dam	11/30/78		AMB

CONFIDENTIAL
CLASSIFICATION

OPTIONAL FORM 155
(Formerly FS-413)
January 1975
Dept. of State

3. WHILE WE REALIZE THIS LAST POINT IS VERY SENSITIVE TO THOSE CONSTITUTIONALISTS WHO WISH TO ESTABLISH DEMOCRATIC CONTROLS, WE BELIEVE THE ARMED FORCES WILL TAKE ORDERS ONLY FROM THE SHAH. WE DO NOT RPT NOT BELIEVE THEY WILL OBEY THE EMPRESS, A REGENCY COUNCIL, OR A CIVILIAN PRIME MINISTER. WITHOUT THE SHAH TO LEAD THEM, WE BELIEVE ARMED FORCES WOULD BECOME A "LOOSE CANNONBALL" WHICH WOULD EVENTUALLY SEEK POLITICAL POWER AND WOULD PRODUCE SUCCESSIVE MILITARY COUPS AND COUNTER-COUPS AS HAS BEEN THE CASE IN NEIGHBORING COUNTRIES.

4. WHILE WE REALIZE DISTRUST WHICH MOST OPPOSITION LEADERS HAVE IN SHAH'S PROMISES, WE BELIEVE IT IS UNREALISTIC FOR THEM TO INSIST ON SHAH'S ABDICATION. WE BELIEVE THAT THEY SHOULD UNDERTAKE TO NEGOTIATE WITH THE SHAH, EITHER DIRECTLY OR INDIRECTLY, FOR THE FORMATION OF A NATIONAL COALITION GOVT WHICH WOULD ORGANIZE FREE ELECTIONS IN ORDER TO GET FRESH START ON DEMOCRATIC PROCESS.

5. WE DOUBT AYATOLLAH KHOMEINI WOULD EVEN ENDORSE THIS "COMPROMISE" BECAUSE WE BELIEVE HE HAS IMPLACABLE HATRED FOR SHAH AND FOR THE PAHLAVI DYNASTY. HIS ONLY PROGRAM SEEMS TO BE A NEGATIVE ONE, DESIGNED TO SERVE HIS PERSONAL REVENGE. HIS CONCEPT OF AN "ISLAMIC REPUBLIC" IS NEBULOUS, AND IN THE FACE OF THE POWER CONTROLLED BY THE ARMED FORCES, IS UNREALISTIC. THEREFORE, WE BELIEVE

POLITICIANS MUST MAKE THEIR CHOICE BASED ON PROSPECTS FOR RETAINING THE INTEGRITY OF THE COUNTRY AND WITHOUT REFERENCE TO THE PROBABILITY THAT KHOMEINI WOULD RENOUNCE IT.

6. IN ANY EVENT, WE DOUBT KHOMEINI PERSONALLY COMMANDS ALL THE POWER THAT IS OFTEN ATTRIBUTED TO HIM. WE FEEL MANY GROUPS, WHICH ARE FAR FROM RELIGIOUS MOSLEMS, ACCEPT KHOMEINI AS A SYMBOL AND USE HIS RHETORIC BECAUSE IT SERVES THEIR OWN PURPOSES AND COINCIDES WITH THEIR OWN AIMS. WE DOUBT HE WOULD HAVE MUCH CONCEPT OF HOW TO ORGANIZE THE GOVT OF A NATION.

7. WE CONSIDER TIME FOR BEGINNING OF REALISTIC NEGOTIATIONS WITH SHAH IS NOW. CONTACTS SHOULD BEGIN BEFORE MOHARRAM IN ORDER MITIGATE PASSIONS WHICH COULD BE EXPLOITED IF CURRENT STALEMATE CONTINUES. WHILE IT MAY NOT BE POSSIBLE TO FORM GOVT IN IMMEDIATE FUTURE, THE PROCESS OF NEGOTIATION HAS ITS OWN IMPORTANCE. END TEXT.

8. OUR USUAL EXPERIENCE WITH THIS PRESENTATION IS THAT OUR INTERLOCUTORS LISTEN CAREFULLY, AGREE WITH EVERY POINT, AND SAY IT IS AN OBVIOUSLY LOGICAL POSITION. THEN, TO OUR CONTINUING FRUSTRATION, THEY CONCLUDE, "NEVERTHELESS, HE HAS TO GO."

9. DESPITE THIS FRUSTRATION AND DESPITE LACK OF ANY TANGIBLE PROGRESS IN THE POLITICAL PROCESS, WE WILL CONTINUE TO PRESENT THIS POSITION TO OUR INTERLOCUTORS

IN THE EXPECTATION THAT EVENTS WILL EVENTUALLY CONFIRM ITS LOGIC.

SULLIVAN

THE SECRETARY OF THE TREASURY
WASHINGTON

DEC 1 1978

Your Excellency:

This is to thank you for the hospitality extended to me and my party by you and your government last week. The discussions with you gave us a better understanding of the problems facing you.

I have reported to the President on our discussions and he has asked that I reaffirm to you the importance of extreme moderation in the forthcoming OPEC meeting. Such moderation in the setting of petroleum prices is crucial for the health of the world economy and for the President's efforts to combat inflation and to correct the unwarranted decline in the dollar.

I look forward to the opportunity for seeing you again.

With sincere best wishes,

Sincerely,

(signed) W. M. Blumenthal
W. Michael Blumenthal

His Excellency
Gholamreza Azhari
Prime Minister of Iran
Tehran
Iran

THE SECRETARY OF THE TREASURY
WASHINGTON

DEC 1 1978

Your Imperial Majesty:

I have reported to President Carter on our conversation and he has asked me to repeat to you his firm intention to support your efforts to restore civil order and to move toward a broadly-based civilian government as soon as circumstances permit.

You were most gracious to receive me and the Members of Congress. You gave us a better, sober understanding of the problems which you confront.

In the light of these problems, I particularly appreciate the role you expect Iran to play at the forthcoming OPEC Conference. Moderation in setting petroleum prices will be vitally important for the success of the President's efforts to combat inflation and to correct the unwarranted decline of the dollar.

I hope to call on you again under less trying circumstances.

With sincere best wishes,

Sincerely,

(signed) W. M. Blumenthal

W. Michael Blumenthal

His Imperial Majesty
Mohammad Reza Shah Pahlavi
Shahanshah of Iran
Tehran
Iran

THE SECRETARY OF THE TREASURY
WASHINGTON

DEC 1 1978

Your Excellency:

This is to thank you for receiving me while I was in Tehran. I feel that our exchange of views gave a valuable insight into the problems facing you.

I will not repeat here my views on the need for extreme moderation at the forthcoming OPEC meeting. I remain confidant that Iran and other OPEC leaders will continue to play a responsible role in the world economy.

I look forward to the opportunity for seeing you again.

With all best wishes,

Sincerely,

(signed) W. M. Blumenthal

W. Michael Blumenthal

His Excellency
Hassan Ali Mehran
Minister of Economic Affairs and Finance
Tehran
Iran

THE SECRETARY OF THE TREASURY
WASHINGTON 20220

December 1, 1978

Dear Mr. Ambassador:

The support of your Embassy for my visit was excellent -- under very trying circumstances. The last minute changes were necessary, but I regret the additional effort required of the Embassy. I very much appreciate the fine work you did.

I feel the visit fully achieved our objectives. I left the Gulf region more confident than I arrived that the results of the Abu Dhabi Conference will be responsible and moderate. I was reassured that the Governments in the region appreciate and value the steps the President has taken to strengthen the U.S. economy and the dollar.

Finally, I want to thank you and Mrs. Sullivan for your gracious hospitality.

Sincerely,

W. M. Blumenthal

W. Michael Blumenthal

The Honorable
William H. Sullivan
Ambassador
American Embassy
Tehran
Iran

SECRET

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INFO RUQMHR/AMEMBASSY TEHRAN IMMEDIATE 8401
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S E C R E T SECTION 01 OF 03 STATE 304889/01

EXDIS

E.O. 11652: RDS-1, 3, &4 12/1/98 (MIKLOS, JACK)

TAGS: PINS, PINT, IR

SUBJECT: IRAN'S OPPOSITION AND FOREIGN POLICY

1. EMBASSY TEHRAN HAS POUCHED TO THE DEPARTMENT THE FOLLOWING DESCRIPTION AND ANALYSIS OF THE FOREIGN POLICY ORIENTATION OF OPPOSITION ELEMENTS IN IRAN. THIS IS A SUBJECT OF POTENTIALLY HIGH IMPORTANCE AND WE WOULD APPRECIATE YOUR SHARING THE GIST OF THIS MESSAGE WITH KNOWLEDGEABLE OFFICIALS UNAMG, BEARING IN MIND SENSITIVITY OF THIS MATERIAL. PLEASE REPORT ASAP.

2. BEGIN TEXT:

SUMMARY: EXTRAPOLATING FROM AN ADMITTEDLY THIN DATA BASE OF KHOMEINI SPEECHES, OPPOSITION TRACTS, AND PRIVATE OPPOSITION COMMENTS, WE BELIEVE A NUMBER OF CHANGES WOULD TAKE PLACE IN SHORT-TERM IRANIAN FOREIGN POLICY IF THE OPPOSITION SUCCEEDED IN OUSTING THE SHAH. THESE WOULD PROJECT MILITANT NATIONALISM, ISLAM AND (PROBABLY) SOCIALISM, WITH ASSERTIONS OF NON-ALIGNMENT, NON-INTERVENTIONISM, AND ANTI-WESTERN RHETORIC. TIES WITH ISRAEL AND SOUTH AFRICA WOULD BE CUT. U.S. CONTRACTS AND PRESENCE WOULD BE REDUCED. INTELLIGENCE COOPERATION WOULD SUFFER. A DEGREE OF ADVENTURISM IN SUPPORT OF MOSLEM OPPOSITION IN AFGHANISTAN MIGHT BE SANCTIONED. GREATER OIL PRICE HIKES WOULD BE PURSUED. HOWEVER, IN THE ABSENCE OF A COMMUNIST SEIZURE OF POWER (WHICH WE CONSIDER UNLIKELY) THE DOMINANCE OF THE MILITARY AND NATIONALIST CONSERVATIVE ELEMENTS WOULD IN ALL LIKELIHOOD ENSURE AN EVENTUAL RETURN TO THE ESSENTIALS OF IRANIAN NATIONAL SURVIVAL -- A DENIAL OF TERRITORY AND INFLUENCE TO THE SOVIETS, PROTECTION OF OIL RESOURCES AGAINST ALL COMERS, AND DESIRE FOR ECONOMIC DEVELOPMENT AND FOREIGN ASSISTANCE. NEVERTHELESS, THE DEGREE TO WHICH NEAR-TERM CONFUSION MIGHT AFFECT THE LONG-TERM LOGIC OF IRANIAN POLICY IS HARD TO PREDICT WITH ACCURACY AT PRESENT. END SUMMARY.

-73-

20 Dec 78 01 410

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CONTROVERSY IN THE OPPOSITION'S DRIVE AGAINST THE SHAH. SUCH ASPECTS WHICH HAVE CREPT INTO PUBLIC DISCUSSION HAVE GENERALLY BEEN LIMITED TO STATEMENTS AGAINST U.S. OR BRITISH "COLONIALISM" AS WELL AS OCCASIONAL ANTI-COMMUNIST OR ANTI-SOVIET BLASTS. ISRAEL HAS BEEN CASTIGATED PROBABLY EVEN MORE THAN THE U.S. DUE TO LATENT ANTI-SEMITISM IN OPPOSITION MOBS, DESPITE REASSURANCES OF TOLERANCE FROM TOP OPPOSITION RELIGIOUS LEADERS. AS WE HYPOTHETICALLY ASSESS THE NATURE OF ANY SUCCESSOR REGIME TO THE SHAH'S, THEREFORE, WE MUST ATTEMPT TO ESTIMATE PROBABLE DIRECTIONS OF FOREIGN POLICY EVEN IN THE ABSENCE OF FIRM EVIDENCE.

ONE COMPLICATION IS THE NATURE OF ANY SUCH REGIME ITSELF. MILITARY DICTATORS OF THE RIGHT ARE LIKELY TO MAKE THE LEAST NUMBER OF CHANGES IN IRAN'S FOREIGN POLICY. A REGIME DOMINATED BY AYATOLLAH KHOMEINI AND TOP RELIGIOUS LEADERS WOULD MAKE SOMEWHAT DIFFERENT CHANGES THAN A REGIME DOMINATED BY LEFT-LEANING LEADERS OF THE OPPOSITION NATIONAL FRONT OR -- A SLIGHT POSSIBILITY ONLY -- A COMMUNIST DOMINATED GOVERNMENT. IN ESTIMATING POSSIBLE CHANGES, THEREFORE, WE ASSUME AS MOST LIKELY SOME COMBINATION OF MILITARY RULE WITH THE SUPPORT OF TOP RELIGIOUS LEADERS AND NATIONAL FRONT POLITICIANS. THE COMMON DENOMINATORS OF SUCH A REGIME WOULD BE PROUD NATIONALISM AND AN EFFORT TO DIFFERENTIATE FROM THE SHAH'S REGIME IN TONE AND APPEARANCE EVEN WHEN THIS MIGHT NOT BE POSSIBLE IN SUBSTANCE.

THE USG IS FREQUENTLY ACCUSED BY THE OPPOSITION AS HAVING INSTALLED THE SHAH AND KEEPING HIM IN POWER. ISRAEL IS SOMETIMES DEPICTED AS A JUNIOR PARTNER OF THE U.S., SOMETIMES AS AN ENEMY OF ISLAM AND PART OF A WORLD-WIDE ZIONIST CONSPIRACY. MANY OF THE MORE MODERATE OPPOSITION LEADERS HAVE ASSURED EMBASSY OFFICERS IN PROVATE THAT THEY HAVE NO BASIC QUARREL WITH THE USG AND ONLY REQUEST THAT THE USG STOP SUPPORTING THE SHAH. MANY HAVE EMPHASIZED THE ESSENTIAL NEED IRAN HAS FOR A LARGE PROTECTOR SUCH AS

THE U.S. AGAINST THE PERENNIAL SOVIET ENEMY ON ITS BORDERS. INDEED, SOME OF THESE MODERATES PREDICATE THEIR DRIVE TO RID IRAN OF THE SHAH AT THIS TIME IN TERMS OF THIS BEING A RELATIVELY SAFE TIME BECAUSE THEY SEE COMMUNIST INFLUENCE IN IRAN AS MINOR OR NEGLIGIBLE. THE CONCERN THEY EXPRESS TO THE EMBASSY IS THAT THE USG MIGHT SUPPORT THE SHAH'S "BANKRUPT REGIME" IN POWER WITH THE ASSISTANCE OF A REPRESSIVE MILITARY FOR A LONG PERIOD OF TIME, THUS DRIVING MORE PEOPLE INTO THE COMMUNIST CAMP OUT OF DESPERATION. VERY FEW OF THESE LEADERS REALLY WORRY HARD ABOUT THAT POSSIBILITY, HOWEVER, AS THEY ARE CONFIDENT AT PRESENT THAT THE SHAH CANNOT LAST MUCH LONGER.

A RELATIVELY NEW PHENOMENON SINCE AYATOLLAH KHOMEINI'S ARRIVAL IN PARIS HAS BEEN HIS PROPENSITY TO HINT AT FOREIGN POLICY CHANGES MORE AND MORE OFTEN IN HIS PUBLIC INTERVIEWS. THESE ARE GENERALLY CRYPTIC REFERENCES TO BE INFERRED FROM HIS ATTACKS ON THE LARGE AMERICAN PRESENCE BI

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S E C R E T SECTION 02 OF 03 STATE 334339/02

EXDIS

IN IRAN AND HIS EMPHASIS ON INDEPENDENT IRANIAN NATIONALISM STRUGGLING AGAINST THE ATTEMPTS OF POWERS SUCH AS THE U.S., THE SOVIET UNION, BRITAIN, AND EVEN MAINLAND CHINA TO CONTROL IRAN'S AFFAIRS. MANY OF KHOMEINI'S STATEMENTS ARE WEAK IN LOGIC BUT STRONG IN EMOTION -- SUCH AS HIS ACCUSATION THAT "PAHLAVI" HAS BEEN "GIVING AWAY" IRAN'S OIL TO WESTERN EXPLOITERS (A THEME REMINICIENT OF MOSSADEQ 25 YEARS AGO -- WHEN IT WAS PERHAPS MORE JUSTIFIED). KHOMEINI'S UTTERANCES OF THE PAST TWO YEARS, MANY OF WHICH WERE HEARD HERE ON TAPE, ARE REPLETE WITH HIGHLY EMOTIONAL, QADDAFI-LIKE ATTACKS ON THE WEST. IN A RECENT INTERVIEW WITH THE FRENCH LEFTIST PAPER "LIBERATION" KHOMEINI HAS BECOME EVEN MORE SPECIFIC, SAYING "ALL THE CONTRACTS AND AGREEMENTS MADE WITH FOREIGNERS AGAINST THE INTERESTS OF THE NATION WILL BE CANCELLED."

THUS LIKELY CHANGES WE SEE IF SUCH A SITUATION AROSE WOULD INCLUDE THE FOLLOWING:

-- A DEMAND FOR DEPARTURE OF MOST FOREIGN RESIDENT WORKERS, PARTICULARLY THE AMERICANS. THIS MAY OR MAY NOT INCLUDE EQUAL EMPHASIS ON THE SOVIETS, DEPENDING ON THE NATURE OF THE NEW GOVERNMENT.

--ASSOCIATED WITH THIS DEMAND WOULD BE A CUT IN THE MILITARY BUDGET FOR NEW ARMAMENTS AND CONSEQUENTLY IN THE NUMBER OF (MAINLY AMERICAN) ADVISERS AND TECHNICIANS. THIS DEMAND MIGHT BE MITIGATED SOMEWHAT IF THE MILITARY MAINTAINED AN IMPORTANT VOICE IN THE SUCCESSOR GOVERNMENT.

A-LOUD ANNOUNCEMENTS OF THE NATIONALIST, NON-ALIGNED CHARACTER OF THE NEW IRAN. THIS WOULD BE REFLECTED IN LESS FRIENDLY RHETORIC TOWARD THE U.S. AND THE WEST AND PERHAPS MORE FRIENDLY RHETORIC TOWARD THE SOVIET UNION (DEPENDING ON THE STRENGTH OF LEFTIST INFLUENCES IN THE GOVERNMENT).

-- PUBLIC ANNOUNCEMENT OF NON-INTERVENTION IN THE AFFAIRS OF OTHERS, EXPLICITLY OR TACITLY INCLUDING THE AREAS OF THE PERSIAN GULF, INDIAN SUBCONTINENT, AND HORN OF AFRICA. IRANIAN TROOPS IN OMAN WOULD BE RECALLED AND A "MORE CORRECT" ATTITUDE DECREED TOWARD ALL NEIGHBORS. THIS FACTOR WOULD BE PERHAPS DIMINISHED IN A GOVERNMENT DOMINATED BY RELIGIOUS AND MILITARY INFLUENCES AS REGARDS AFGHANISTAN, WHERE CLANDESTINE SUPPORT FOR ISLAMIC OPPOSITION MOVEMENTS MIGHT BE SANCTIONED.

SEC:

-- A REVERSAL OF POLICY TOWARD ISRAEL WHICH WOULD PROBABLY INCLUDE STOPPING OF OIL SHIPMENTS AND CANCELLATION OF ALMOST ALL JOINT COOPERATION PROJECTS IN AGRICULTURE AND ELSEWHERE. THE EFFECTS OF THIS POLICY WOULD PROBABLY BE LIMITED INSOFAR AS ARABS ARE NOT GREAT FAVORITES IN IRAN DESPITE THE GENERAL AURA OF PRO-ARAB SENTIMENT BEING EXUDED BY KHOMEINI IN PARIS. RUPTURE OF TIES WITH ISRAEL WOULD PROBABLY BRING SIMILAR RUPTURE OF LESSER TIES WITH SOUTH AFRICA, MAINLY THE SUPPLY OF OIL.

-- A PUSH TO INCREASE OIL PRICES TO THE MAXIMUM.

-- SIGNIFICANT DECLINE IN INTELLIGENCE COOPERATION WITH THE U.S. AND OTHER WESTERN NATIONS. IF LEFTISTS PREDOMINATED IN THE GOVERNMENT WE MIGHT SEE THE SOVIET UNION MAKE A STRONG EFFORT TO APPLY GREATER "NEUTRALITY" TO IRAN'S POLICY.

-- MORE EMPHASIS ON SOLIDARITY WITH THE WORLD'S SOCIALIST MOVEMENT (PARTICULARLY IF LEFTISTS WERE PROMINENT IN GOVERNMENT) AND A GREATER EFFORT TO FAVOR WESTERN EUROPEAN COUNTRIES SUCH AS FRANCE OVER THE U.S. OR BRITAIN IN TRADE AND ARMAMENT PURCHASES.

-- DOMESTIC CONSIDERATIONS WOULD OBVIOUSLY BE DICTATING FOREIGN POLICY ALMOST ENTIRELY, AND THERE WOULD BE LITTLE LEFT OF THE BROAD APPROACH TO IRANIAN NATIONAL SECURITY TAKEN BY THE SHAH IN RECENT YEARS. STUDENTS AND OTHER MILITANTS RETURNING IN LARGE NUMBERS FROM THE U.S., WESTERN AND EASTERN EUROPEAN COUNTRIES WOULD UNDOUBTEDLY EXERT A CONSIDERABLE INFLUENCE IN THESE CHANGES. REORIENTATION OF DOMESTIC SPENDING TOWARD AGRICULTURE, HOUSING, MOSQUES, ETC. WOULD GREATLY CUT DOWN THE NEED FOR FOREIGN TECHNICIANS AND SUSPEND OR END MOST FOREIGN TECHNICAL COOPERATION.

NEVERTHELESS, WE BELIEVE NO SUCCESSOR GOVERNMENT COULD LONG DENY OBVIOUS REALITIES. THUS CONTINUITY IN IRANIAN FOREIGN POLICY WOULD BE EXPRESSED IN SEVERAL IMPORTANT RESPECTS:

-- DENIAL OF IRANIAN TERRITORY TO THE SOVIETS AND AN EFFORT TO LIMIT SOVIET INFLUENCE IN IRAN.

-- READINESS TO PROTECT OIL RESOURCES AGAINST ALL COMERS, TO INCLUDE SOME PROTECTION OF THE SEA LANES IMMEDIATELY ADJOINING IRANIAN TERRITORY, THOUGH IN A LESS AGGRESSIVE FASHION THAN INDICATED BY THE PUBLIC PRONOUNCEMENTS OF THE SHAH.

-- A DESIRE FOR FOREIGN HELP TO BUCK UP AN ECONOMY WHICH WILL HAVE RECEIVED MANY BLOWS AND WILL IN ALL PROBABILITY BE

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S E C R E T FINAL SECTION OF 03 STATE 304389/03

EXDIS

BE FOUNDERING IN THE ABSENCE OF INVESTOR CONFIDENCE AND WITH LARGE SCALE FLIGHT OF CAPITAL. SUCH HELP WOULD UNDOUBTEDLY BE SLOW IN COMING GIVEN THE EMPHASIS ANY SUCCESSOR GOVERNMENT WOULD PUT ON "NO STRINGS ATTACHED."

THESE FACTORS OF CONTINUITY WOULD IN THE LONG RUN LIKELY ENSURE THE PRESERVATION OF WHAT THE U.S. AND THE WEST CONSIDER THEIR MINIMAL ESSENTIAL INTERESTS IN IRAN, NAMELY ITS TERRITORIAL INTEGRITY, NON-COMMUNIST GOVERNMENT, AND CONTINUING EXPORT OF OIL TO THE WEST. THE CHANGES PROBABLE IN THE NEAR TERM, HOWEVER N COULD WORK A CONSIDERABLE DEGREE OF TEMPORARY DISRUPTION WHICH WOULD CONFUSE AND WEAKEN NOT ONLY THE NEW IRANIAN GOVERNMENT BUT ALSO ITS ERSTWHILE SUPPORTERS IN THE WEST. WE ASSUME THE SOVIET UNION WOULD NOT TAKE AGGRESSIVE ACTIONS. HOWEVER, THE EXACT EFFECTS OF NEAR TERM CHANGES ON THE LONG TERM PROSPECTS CANNOT BE PREDICTED IN GREATER DETAIL AT THIS TIME. VANCE
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1978 DEC -3 PM 12:07

TELEGRAM

INDICATE
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FROM	CLASSIFICATION
AMEMBASSY TEHRAN	CONFIDENTIAL

E.O. 11652:
TAGS:
SUBJECT:

ACTION: SECSTATE WASHDC IMMEDIATE
AMEMBASSY JIDDA IMMEDIATE
USLO RIYADH IMMEDIATE

ACTION:

INFO: AMCONSUL DHAHRAN
AMEMBASSY MOSCOW
AMEMBASSY SANA
AMEMBASSY TEL AVIV

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CONFIDENTIAL TEHRAN 11806

E.O. 12065: GDS 12/3/84 (SULLIVAN,W.H.) OR-M
TAGS: PINT, PEPR, IR, SA
SUBJ: SITUATION IN IRAN
REF: RIYADH 1023

WE APPLAUD EMBOFF JIDDA'S CONTINUING GOOD UNDERSTANDING OF SITUATION IN IRAN AND HIS FULL REPORT ON CONVERSATION NOV 22 WITH SAUDI FOREIGN MINISTER PRINCE SA'UD (AS WELL AS CONVERSATION NOV 20 WITH SENIOR IRANIAN DIPLOMAT, SEPTEL NOTAL) WOULD LIKE TO CALL TO ADDRESSEES' ATTENTION HOWEVER, THAT COMMENT (IN PARA 5 REFTEL) TO THE EFFECT SHAH MIGHT BACKTRACK ON REFORMS AND ON GIVING UP REAL POWER RUNS CONTRARY TO U.S. POLICY POSITION THAT WE BELIEVE SHAH IS SINCERE IN BEING PREPARED TO MAKE SUCH REFORMS AND GRADUALLY GIVE UP MOST OF HIS POWER, EXCEPT CONTROL OVER THE MILITARY. WE THINK IT WOULD BE UNFOR-

DRAFTED BY:	DRAFTING DATE	TEL. EXT.	CONTENTS AND CLASSIFICATION APPROV
POL:GBLambrakis	12/3/78	1110	AMB:WHSullivan

CLEARANCES:

MIN:CWNdas

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TUNATE IF SAUDI FOREIGN MINISTER -- OR ANY ONE ELSE -- GAINED THE IMPRESSION USG IS CARRYING OUT A CYNICAL, DUPLICITOUS POLICY IN SUPPORTING THE SHAH AND SHAH'S CONTINUING LIBERALIZATION WHILE PRIVATELY BELIEVING SHAH WILL BACKTRACK AWAY FROM LIBERALIZATION IF HE MANAGES TO CLAMP LID BACK ON PRESENT CRITICAL SITUATION.

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AIRGRAM

HANDLING	CLASSIFICATION	MESSAGE REFERENCE NO.
	CONFIDENTIAL	A-14

TO: Department of State, Wash, D.C.
Info: AmEmbassy TEHRAN - (via pouch)
AmConsul Tabriz "
AmConsul Shiraz "
E.O. 12065: GDS
FROM: AmConsul Isfahan DATE: 12/5/78

11652: 12065: GDS
TAGS: PINT, IR
SUBJECT: Lost Chances: The Mood of Despair Grows

REF:

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SUGGESTED DISTRIBUTION:

Summary: Local leaders of groups ranging from the milit to the opposition have recently moved from expressions o optimisim to expressions of despair. The thrust is that opposition crowds, largly young, no longer trust and fol experienced leaders, and that the disturbances are there unpredictable and uncontrollable - providing little hope the future. Older opposition figures in particular are giving up, reducing the hopes for compromise, restraint, solutions short of violence.
End Summary.

The Mood of Despair

In numerous conversations since Nov. 15, there has a clear, strong shift in the level of optimism expressed contacts at all levels: a feeling that the best chances passed by, and that the best hope remaining is to minimi the damage. A few examples will suffice: the Iranian Co commanding the Kerman Army Aviation Helicopter Detachmen gregarious man who speaks freely with US counterparts, h in the past week shifted from a theme of "when this is over..." to a theme of "If we can get through this witho serious damage..."; the Isfahan police authorities have ordered Consulate guards to wear civilian overcoats and their hats inside, explaining that their uniforms make t targets, have refused to place a sentry-box shelter in t front of the Consulate, explaining that it would be targ and are refusing to man the post in the back of the Con explaining they do not want policemen to be alone in a d kuche - all this in contrast to their previous boasts th the Consulate is safe because everyone is afraid to tack

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(FORMERLY FS- DS-323)
MARCH 1975
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the police; Ayatollah Khademi, once considered the leading opposition religious figure in Isfahan, now states that he believes only the Communists can benefit from all this disruption; and Raschid Bouromand, a leading National Front supporter here, states that the party has surrendered its authority to Khomeini, and will go down with him when people realize how petty his aims are.

The common base to these complaints is the perception that "the young people" - be they students, preachers, workers, or others - have taken control of the opposition movement. The Ayatollah complained that when he tries to preach restraint, the people leave, and find a preacher who will tell them what they want to hear. A large textile factory manager, facing a wildcat strike after just settling a major strike, states that the employees he delt with earlier report that the other workers now distrust him - for having close ties with the owners. Mr. Bouromand says the National Front leaders are afraid of the crowd, and will do anything to appease it. Military officers are refraining from giving orders to their troops, not wishing to test their loyalty. All complain that the people are running wild, and that the mobs have no plans, no leadership, and no discipline. They are swayed by the latest rumor or demogogue, and will create a demogogue to their image if necessary.

Lost Opportunity

There appears to be a general agreement that the best, and perhaps last opportunity for a non-disruptive shift of power came in the two weeks before the imposition of military rule (which is how the present government is seen, despite the influx of civilian Ministers and the appearance of a normal change of government.) At this point, people perceive that period as a time when an imaginative leader and program could have saved the situation. At that time, the Shah was weary, ready to bargain and compromise, the smaller political parties were aware of their lack of influence and were ready to back a leader who would step forward to bargain with the Shah, and the military was divided in its perception of what should have been done. At that point, someone like Sanjabi of the National Front, had he been willing to take the chance could have reached a compromise with the Shah, and painted any objectors (including Khomeini if necessary) as more interested in disruption than in the welfare of Iran. It might not have worked, but it had a chance, and that chance, most people say, is gone.

The worried men of Isfahan see Gen. Azhari's government as a gesture of impatience on the part of the military. Fed up with "civilian incompetence", they pressured the Shah to let them take over, planning a short term operation and retirement with honours. They anticipated the Iranian traditional respect for power, combined with unhappiness with civil disorder, would cause a sudden relaxation of tension under the military, and they could ease out - turning power over to technocrats on a gradual basis, and look good. Instead, they found continued disorder, a complex of government operations they did not understand and so bungled or did nothing, and still had to call in the technocrats to bail them out. They are increasingly seen as failures, thus causing a loss of respect for military capability in general. Moreover, the impression that they pressured

the Shah and failed makes the Shah also seem weak - too weak to resist the importunings of incompetents. Thus the Shah and the military have lost face, Khomeini's influence (given the lack of civilian politicians willing to take a stand) has grown, and chances of a compromise solution seem dim. A take-over by force is feared - by the young officers, by the communists, by Khomeini's phantom million man army, or by anyone at all. It is feared because no-one expects the other groups to accept such a take-over. Force breeds force. A coup would cause a counter coup. Personal violence will escalate as each man is prepared to use force to defend his personal position. Sabotage will destroy the nation's capacity to produce wealth. All Iran would lack to make it a banana republic is bananas, according to a major food merchant in Isfahan. He adds to his worries that, in a showdown, Iran is terribly vulnerable to sabotage. Dams, power plants, mining equipment, pipelines, oil fields, and ports already suffer from a critical shortage of competent maintenance. If the workers at these sites desire, it would be simple for them to destroy their equipment, and Iran does not have the capacity to replace or repair any extensive damage. Each down facility would have an exponential effect on the economy, making it increasingly difficult or impossible to repair damage. If that happens, Iran's credit would be destroyed, and Iran currently does not have the capability of even feeding itself. The result would be, in his opinion, either the sale of its resources (and its sovereignty) to outsiders, or reduction to a poverty-stricken nonentity dependent on charity.

COMMENT:

Most of the people now voicing despair are themselves older, and members of various elites. What they are observing is a function of youth preponderance in Iran's population, and the fact that young Iranians are largely distrustful of the older generation whom they blame for Iran's difficulties, without giving them credit for Iran's progress. In Mosques in Isfahan, the congregations tend to be segregated by age. In demonstrations, the older participants tend to find themselves led by the young. University professors, accustomed to the respect of the less educated, find to their confusion that no-one is asking them for advice. The older generation tends to retain the traditional Iranian respect for age and experience,, and find themselves isolated from the younger crowds who value committment and energy more than experience, and look on age as evidence of corruption, complacency, and participation in the "evil" past.

However, even if their projections are excessively gloomy, it remains a fact that this is an increasingly prevalent attitude. Moreover, it appears to be accompanied, in most cases, by a willingness to give up, to stop attempting to influence events. Ayatollah Khademi has stopped attending services. Mr. Boromand has stopped attending meetings of National Front supporters. The Universities professors are avoiding the students. Businessmen are sending families out of Iran, and are preparing to follow them. The old elites, in Isfahan at least, are beginning to "opt out" making their predictions of a take-over by inexperienced, impassioned youth a self-fulfilling prophecy. Thus there is a real basis for gloom.

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AIRGRAM

HANDLING	CLASSIFICATION	MESSAGE REFERENCE NO.
	CONFIDENTIAL	A-15

TO: Department of State, Wash, DC
INFO: AmEmbassy TEHRAN via pouch
AmConsul Shiraz "
AmConsul Tabriz "
E.O. 12065: GDS

FROM: AmConsul Isfahan

DATE: December 6, 1978

11652: 12065: GDS
TAGS: PINT, IR
SUBJECT: Influence of Khomeini; Views of the Religious

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DESIRED DISTRIBUTION:

SUMMARY: According to a group of Ayatollahs, mullahs and religious students in Isfahan, the actual influence of Khomeini is waning in Iran, but still has tremendous emotional power, and when he is listened to, he is the only person remaining who can coordinate action all over Iran. The power of Ayatollah Shariat-Modari, never very high in Isfahan, is now negligable, but Ayatollah Shirazi, in Mashad, is gaining influence.
End Summary.

Religious Authority in Isfahan

Since the murder, three years ago, of Ayatollah Shamsahadi, there has been no single senior religious figure in Isfahan, but rather individuals who have considerable influence over certain groups, who have been jockeying for position without any resolution to date. They have tended to stay on the outskirts of political activity, fearing that a mistake or failure would be seized on by one of their own number to increase his authority. One, Ayatollah Khademi, attempted to take an active part in restrained opposition, but found himself embroiled in violence by his followers, and has recently even stopped preaching. The religious opposition has tended to fall into the hands of younger religious students, itinerant preachers, and lay figures who temporarily assume a preacher's role. I was allowed to be present, but not participate in discussion, at a meeting of religious figures at the home of Ayatollah Haj Mirza Said Ali Fani, the eldest of the principle leaders. Most

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FORM DS-323 (OBSOLETE FORM 247 OCTOBER 1975 USE PREVIOUS EDITIONS)

GPO : 1978 O - 273-103

of the discussion was taken up with complaints about the "outsiders" invited to preach in the mosques, about the dangers to religion if this continues, and fruitless discussion about what they should do to lead their people down the correct path. Each man left saying what he came in with, a great deal of temperment was displayed, and few points of agreement were found.

Role of Ayatollah Shariat-Modari

Shariat-Modari of Qom was widely attacked, with accusations that he is nothing but a political opportunist, allegates of vast wealth secreted abroad, long quotes (which I did not follow) from his writings and those of Khomeini, allegedly proving that they are in basic disagreement, accusations of his being in the pay of either the Shah or the Bazaaris or the Communists, and personal attacks. However, after discussion, they generally agreed that he could be disregarded as no longer having any influence, at least in Isfahan, but also allegedly in Qom and Tabriz. (My observations in other forums tend to confirm this, for Isfahan. Shariat Modari is seen as having attempted to sell out to the Shah and P.M. Sharif-Imami during that government's short tenure.).

Role of Ayatollah Khomeini

The dismissal of Shariat Modari was followed by a discussion of who did have influence (i.e. who should they follow and support). The talk focussed on Khomeini. Many of those attending were personally uncomfortable with Khomeini; they complained of leftist influence on him; they complained of his single-minded pursuit of the Shah to the exclusion of other needs; they complained of his isolation from Iran and the lack of understanding of current events. They concluded however that he has great emotional power over the crowds and that his is the only voice (since people now distrust Shariat Modari & the National Front is quiet) who can call for action successfully all over Iran. On further discussion, though, they commented that several of Khomeini's recent announcements have only partly been publicized in Iran. More restrained portions were left out of pamphlets, tapes and sermons to disseminate his words - only those who listened to BBC had the full text. It appears that the dissidents are increasingly chosing, even for Khomeini, what words they will listen to. They concluded from this that his influence is waning, though currently still strong.

Other Religious Leaders

There was little general agreement as to other religious leaders with influence. They noted that Ayatollah Shirazi, because of his connection to the Shrine in Mashad and his house arrest is becoming increasingly influential among the people, but noted that he does not have the connections so that his words are heard. He depends on word of mouth primarily, and until he gets a network to spread his word, he cannot have much immediate impact. They also discussed Ayatollah Kho'i now in exile in Iraq. They agreed that he has a good reputation but that he had little influence. (This last to the dissapointment of Ayatollah Haj Agha Jalil Faghih Imami, son-in-law, who stated he has failed in his attempts to urge Kho'i to make more political statements. At no point did anyone suggest that one of them had any national in-

fluence.

Comment Clearly, these men are at a loss. They recognize their own lack of influence over the protest movement, see its nominal religious nature, and are searching for the religious influence which could control the movement. They did not, at this meeting, find it, and left bemoaning their lack of leadership. Their mood was gloomy, if only because they feared the movement would (or has) lose any religious character, and see "Communists" as benefitting. Individually, they will work on their own followers, but were not willing to adopt any common program (surrendering personal status) to gain any control evon over the local movement. Their actions will make their fears reasonable.
End Comment.

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ACTION

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	ACTION
RUDTC/USDEL SECRETARY IMMEDIATE 9289	POL3
RUFHGV/USMISSION GENEVA IMMEDIATE 0599	INFO
RUESRS/AMEMBASSY CARACAS IMMEDIATE 3930	AMB
RUEHKO/AMEMBASSY TOKYO IMMEDIATE 0441	DCM
RUQMKM/AMEMBASSY KHARTOUM IMMEDIATE 0282	ADM
RUEHSA/AMEMBASSY PRETORIA IMMEDIATE 3816	OR
RUEHME/AMEMBASSY MEXICO IMMEDIATE 7716	ICA
RUTALS/AMEMBASSY LAGOS IMMEDIATE 3702	PM
RUEHDT/USMISSION USUN NEW YORK IMMEDIATE 4815	EC2
RUSBKR/AMCONSUL KARACHI IMMEDIATE 5694	CRU2
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E.O. 120655: GDS 12/9/78 (PRECHT,H.)

TAGS: PINS, IR

SUBJECT: IRAN SITREP NO.36, 12/9/78

1. ON THE EVE OF ASHURA, A TENSE CALM PREVAILS IN MUCH OF IRAN. IN A LAST-MOMENT EFFORT TO HEAD-OFF A BLOODY CONFRONTATON, THE GOI ANNOUNCED THAT RELIGIOUS PROCESSIONS WOULD BE PERMITTED DURING THE NEXT 48 HOURS. TEHRAN'S CURFEW HAS BEEN LIFTED FROM 9 P.M. TO 11 P.M. FOR DECEMBER 10 AND 11 TO FACILITATE RLIGIOUS SERVICES. PRIME MINISTER AZHARI ASSURED AMBASSADOR SULLIVAN TODAY THAT ADEQUATE MEASURES WOULD BE IN PLACE SUNDAY TO CONTAIN DEMONSTRATIONS IF THEY BECAME VIOLNT.

2. TEHRAN IS REPORTED QUIET THROUGH MID-DAY DECEMBER 9. SCATTERED INCIDENTS OCCURRED WITH THE MILITARY MAKING SPOT CHECKS OF VEHICLES SEARCHING FOR ARMS, LEAFLETS, ETC.

ISFAHAN HAD A QUIET MORNING BUT CLASHES AND SHOOTING WERE NOTED THE PREVIOUS EVENING. A CONVOY CONTAINING THE CONSUL'S WIFE WAS [illegible] ON A POLICE STATION AND LATER [illegible] THERE WERE NO INJURIES. TABRIZ REPO[illegible] NEAR THE BAZAAR ON DECEMBER 8 A[illegible] GENERAL QUIET TODAY. CURFEW THERE HAS BEEN LOWERED FR[illegible] 11 P.M. TO 9 P.M. EFFECTIVE YESTERDAY. NO AMERICANS [illegible] REPORTED INJURED DURING TTE PAST 24 HOURS.

3. MODERATE RELIGIOUS LEADER SHARIAT-MADARI AND HIS FELLOW AYATOLLAHS IN QOM ISSUED A STATEMENT CALLING ON SOLDIERS NOT TO SHOOT AT THE DEMONSTRATORS AND URGING DEMONSTRATORS TO BE CAUTIOUS AND ORDERLY.

4. OIL WORKERS AT [illegible] MAJOR GACH SARAN FIELD HAVE NOW JOINED THE STRIKE [illegible] PRODUCTION IS AGAIN FALLING. TOTAL PRODUCTION TODA[illegible] IS ESTIMATED TO BE 2.1 - 2.2 MILLION BARRELS. ONLY [illegible].7 MILLION BARRELS WILL BE PRODUCED TOMORROW WERE LESS THAN ONE MILLION AVAILABLE FOR EXPORT.

5. [illegible] TO THE EMBASSY, ABOUT 1300 (1100 DOD, 200 STATE AND OTHER AGENCIES) U.S. GOVERNMENT DEPENDENTS WILL HAVE LEFT IRAN BY [illegible] FIGURE COVERS ALL OFFICIAL DEPENDEN[illegible] WHO HAVE REQUESTED DEPARTURE. PRIVATE [illegible] DEPENDENTS [illegible] TO DEPART ON COMMERCIAL AND OTHER AIRCRAFT. A SPOT SURVEY OF U.S. COMPANIES WITH OFFICES IN IRAN INDICATES THAT ABOUT 40 PERCENT OF THEIR DEPENDENTS HAVE TEMPORALY DEPARTED, BUT MOST EMPLOYEES REMAIN IN IRAN.

6. PAN AMERICAN, IRAN AIR AND OTHER INTERNATIONAL CARRIERS CONTINUED NORMAL OPERATIONS THROUGH DECEMBER 9. PAN AMERICAN REPORTED IT HAD VACANT SEATS ON ITS DECEMBER 9 AND 9 OUTGOING FLIGHTS. MARTIAL LAW AUTHORITIES ANNOUNCED DECEMBER 9 THECLOSURE OF TEHRAN'S INTERNATIONAL AIRPORT FROM 0630Z DECEMBER 10 TO 0630Z DECEMBER 13. PAN AMERICAN IS CURRENTLY PLANNING TO RESUME FLIGHTS ON DECEMBER 13.

7. AMERICANS AND OTHER FOREGNERS WITH EXPIRED RESIDENCE PERMITS OR DOCUMENTS NOT OTHERWISE IN ORDER ARE HAVING DIFFICULTIES OBTAINING EXIT PERMITS TO LEAVE IRAN. EMBASSY TEHRAN HAS BEEN ABLE TOARRANGE EXIT PERMITS FOR 50-60 AMERICANS PERDAY WHO ARE IN THIS CATEGORY, BUT THESE SPECIAL BILATERAL ARRANGEMENTS ARE NOT AVAILABLE TO OTHER EMBASSIES. SINCE MOST IRANIAN GOVERNMENT OFFICES WILL BE CLOSED DECEMBER 8-13, EMBASSY TEHRAN WILL NOT BE ABLE TO OBTAIN EXIT PERMITS EXPEDITIUSLY DURING THAT PERIOD, BUT EXPECTS TO RESUME THIS OPERATION AFTER DECEMBER 13.

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